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It is anticipated that the Colonies and Protectorates for which 1948 Reports are being published will, with some additions, be the same as for the previous year (see list on cover page 3).

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Malayan Police on Operations
against Bandits.

ANNUAL REPORT
ON THE
FEDERATION OF MALAYA
1948



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1949.

THE HIGH COMMISSIONER FOR THE FEDERATION OF MALAYA.

Sir Gerard Edward James Gent, K.C.M.G., D.S.O., O.B.E., M.C., was sworn in on 1st February, 1948. He died on the 4th July, 1948; in an aircraft accident while on his way to the United Kingdom for consultations with the Secretary of State for the Colonies.

Sir Henry Lovell Goldsworthy Gurney, K.C.M.G., was sworn in on 6th October, 1948.

Sir Alexander Theodore Newbould, K.B.E., C.M.G., M.C., E.D., M.C.S., administered the Government during the intervening period.

THE RULERS OF THE MALAY STATES.

THE SULTAN OF JOHORE.

H.H. Ibrahim ibni Almarhum Sultan Abu Bakar, D.K., S.P.M.J., G.C.M.G., K.B.E. (Mil.), G.B.E., G.C.O.C. (I).

THE SULTAN OF PAHANG.

H.H. Abu Bakar Ri'ayatuddin Al-Muadzam Shah ibni Almarhum Almu'tasim Bi'llah Abdullah, K.C.M.G.

THE YANG DI-PERTUAN BESAR OF NEGRI SEMBILAN.

H.H. Tuanku Abdul Rahman ibni Almarhum Tuanku Muhammad, K.C.M.G.

THE SULTAN OF SELANGOR.

H.H. Hisamuddin Alam Shah ibni Almarhum Sultan Alaidin Sulaiman Shah, K.C.M.G.

THE SULTAN OF KEDAH.

H.H. Tunku Badlishah ibni Almarhum Sultan Abdul Hamid Halim Shah, K.C.M.G., K.B.E.

THE RAJA OF PERLIS.

H.H. Syed Putra ibni Almarhum Syed Hassan Jamalullail, C.M.G.

THE SULTAN OF KELANTAN.

H.H. Tengku Ibrahim ibni Almarhum Sultan Mohamed IV, D.K., S.P.M.K., S.J.M.K., K.C.M.G.

THE SULTAN OF TRENGGANU.

H.H. Sultan Ismail ibni Almarhum Sultan Zainal Abidin, C.M.G.

THE SULTAN OF PERAK.

H.H. Paduka Sri Sultan Abdul Aziz Al-Mu'tasim Billah Shah, K.C.M.G., K.B.E., the late Sultan of Perak—died on March 29th, 1948. He was succeeded by : H.H. Paduka Sri Sultan Yussuf 'Izzuddin Shah ibni Almarhum Sultan Abdul Jalil Radziallah Hu-'an-hu, K.C.M.G., O.B.E., who ascended the throne on March 31st, 1948.

INTRODUCTION.

The Federation of Malaya is fighting militant Communism. The early elimination of this Communist-led terrorism and a rapid restoration of peace and confidence is an issue of life and death to which all other problems are intimately related and necessarily subordinate. Until this conflict is won there can be no satisfactory solution to any of the major problems confronting the Government and the peoples of the Federation of Malaya.

While contributory factors to the development of those conditions conducive to the outbreak of violence are not inconsiderable and can be traced in various parts of the ensuing report, it cannot be regarded as having developed from an intensification of internal friction, or from an aggregate of discontent. It is a fight which was carefully schemed at the time of the World Federation of Democratic Youth and the International Students' Union Conference held at Calcutta in February, 1948; a scheme which was confirmed by the Central Executive Committee of the Malayan Communist Party in Singapore in March, 1948. The plan and purpose behind the terrorism which ensued was made clear by the initial actions and published manifestos of Communist-inspired forces in the Federation. They were no less than the complete disruption of Industry and Administration and the establishment of "liberated areas" from which to maintain an effective paralysis of the Peninsula. The date by which it was planned to achieve this objective was August 3rd. By the end of the period covered by this report these aims had been decisively frustrated, although the threat to security was still not inconsiderable. The Communist-inspired military campaign had been reduced to the proportions of squalid guerilla depredations by increasingly demoralised bandits, fighting for their lives against increasingly well-organised Security Forces.

The Federation of Malaya, which was inaugurated on the 1st February, can justifiably be said to have met and broken the first onslaught of militant Communism upon any territory directly associated with the Western Democracies, within the first year of its existence. The strength of this new planned constitutional development, suited to Malaya's own needs and accepted by general agreement, could not have been submitted to a more severe test so early in its history. That it has emerged from this test as satisfactorily as it has, is due very largely to the courage and resolution of all communities; of all engaged in the tin and rubber industries; to the men who have continued to drive the railway engines; to

those who repair the roads and maintain our other communications; not least to those who have resolutely declined to be intimidated, sometimes at the cost of their lives and livelihood; and in spite of all those, of whom there have been regrettably too many, who have paid out large sums in extortion money, which has been the mainstay of the finances of the Communist bandits.

The cost of this widespread banditry to this country each day has amounted on an average to the cost of establishing an English school. The diversion of skilled men from the already abnormal tasks of rehabilitation has aggravated still further the main problems facing the industries and the Administration. These were handicaps which could scarcely be offset by the contributions which it was possible for the United Kingdom to make in these times. Although this assistance has been the source of practical and moral encouragement, it has left the fundamental problems substantially unchanged : to administer a new Constitution, to rehabilitate industry, and to fight terrorism conducted under alien inspiration, with resources based upon industries which have come under the influence of unfavourable international economic pressures.

It is against this background that the contents of this report should be read.

In spite of active hostilities at the time when such disorders could do most harm to the industries of the country endeavouring, very largely by their own enterprise, to re-establish themselves and to counter the destructive legacies of the Japanese occupation, of the world's total output of rubber and tin in 1948 this country produced 45.8 per cent. of the former, and 28.1 per cent. of the latter. This achievement afforded more financial assistance to the United Kingdom and the Commonwealth in terms of gold dollars earned than was afforded by the total export drive of Great Britain over the same period. The extent of Malaya's contribution to the recovery of the Commonwealth and other countries of the world would seem to qualify her for a right to be represented in the discussions and negotiations that take place for the disposal of the products in which she is interested. Contributions from the United Kingdom from various sources have materially assisted this country in meeting the extraordinary charges made upon her exchequer, but in making her over-all contributions in terms of industrial output, by the importing of British manufactured goods, by the export of her primary products in British vessels, and by the return made upon British capital investment, the Federation requires considerable assistance, in order that she may continue to render these services to the Commonwealth.

Throughout the period covered by this report the unsettling influences of events in neighbouring territories have aggravated an already unnaturally disturbed atmosphere. The successful advance of Communist armies in China has given rise to the development of doubts and fears in the minds of certain sections of the Chinese community, which constitutes 38 per cent. of the population, the majority of whom come from the Southern Provinces of China, and are Chinese nationals. Such doubts can only be resolved by a clear declaration of policy with regard to China, whatever form a new China may take, and with regard to the intention and ability of anti-Communist powers to resist Communism effectively wherever it becomes militant in South East Asia. Continued disturbances in Burma, internal uncertainties in French Indo-China, open hostilities in Indonesia, all have contributed towards making more complex internal points at issue in the Federation. It may be regarded, therefore, as a matter of some significance that a very high degree of racial harmony has been maintained, and that there has been such an overwhelming rejection by the vast majority of all communities of that alien minority, less than .1 per cent. of the total population, who have attempted to impose by murder, arson and intimidation, the insidious tenets of Communism. And this, in spite of the admitted difficulties of extending security to life and property everywhere in a country more than four-fifths of which is a jungled wilderness and which presents to Security Forces such unparalleled topographical difficulties.

Not the least of the year's problems has been the growing scarcity in the basic commodity of rice. A major weakness in the country's economy is her dependence on imported rice, the staple food of the majority of the people. Since World War II the attack on this problem has become more determined and intensive, but the scarcity is unlikely to be removed while populations continue to increase at the present rates, unless vast new areas are opened up speedily in all rice-consuming countries. Even the short-term view discloses that, with a population which has increased by nearly 30 per cent. during the last sixteen years, Malaya is at present able to produce considerably less than half its total minimum, and probably less than one-third of its optimum, basic food requirements.

Equally formidable and always present has been the shortage of money, hindering when it did not actually prevent the carrying into effect of projects for further raising the standards of health, nutrition, housing and education. This shortage, though by no

means unique, was something from which Malaya rarely suffered before World War II. Its causes which are, chiefly, still incomplete but continuing rehabilitation of the country from the ravages of war, the high wage-rates based on the post-war price of rice and the heavy cost of combating the Communist menace, in themselves still pose problems of great magnitude.

The financial and other pre-occupations notwithstanding, every effort has continued to be made to raise the standard of living of the people and, in particular, that of the largely Malay peasant community; to combat the effects of the hookworm, malaria and malnutrition largely responsible for their slower increase and heavier infant mortality; and to provide the widely disseminated educational facilities that alone would make it possible for them to take their proper place in the economic and commercial, no less than in the political, structure of their country. But greatly expanded health, medical and education services, as well as the formidable financial effort which will be necessary to effect and maintain them over the Federation's dispersed and backward agricultural areas, are vital and imperative preliminaries to the achievement of these ends.

FEDERATION OF MALAYA.

ANNUAL REPORT FOR 1948.

PART I.

CHAPTER I.

POPULATION.

The territory comprising the Federation of Malaya constitutes an area of approximately 50,850 square miles and is part of the southernmost extension of the continent of Asia. The Peninsula is divided by mountain ranges, the principal trend of which is North and South. The centre of the Peninsula is a series of parallel ridges separated by strips of low country while to the East and West of the outside ranges are the coastal plains which are mainly alluvial and in the South a region of low land. Approximately 80 per cent. of the whole area remains under primeval jungle, mountain or swamp, 14 per cent. under rubber, 2.4 per cent. under rice and 2.1 per cent. under coconuts and oil palms.

The most recent census, taken on the 23rd September, 1947, showed a total population (excluding transients) of 4,908,086 including 29,648 nomadic aborigines. This represented an increase of 29.6 per cent. since the 1931 census. The Federation is 50,600 square miles in area and the mean population density in September, 1947, was therefore approximately 97 per square mile. The Indian population has dropped since 1931, partly as the result of the ban imposed by the Government of India on emigration from India to Malaya of unskilled labourers, but chiefly because of abnormally high death rates and low birth rates during the Japanese occupation. The indigenous Malay population has increased, and so has the Chinese. The highest percentage increase is that of the Chinese. The Malays outnumber the Chinese in the country as a whole, but Chinese outnumber the Malays in the Settlement of Penang and in the Malay States of Selangor, Perak, Negri Sembilan and Johore. Almost half the total Malay population is contained in the three Malay States of Kedah, Kelantan and Trengganu, where Malays outnumber all the other races.

The following figures show comparative increases and decreases since 1931, by race :

		Malaysians.	Chinese.	Indians.	Others.
1931	..	1,863,872	1,284,888	570,987	68,011
1947	..	2,427,834	1,884,534	530,638	65,080

Population of the main towns of the Federation in September, 1947, was as follows :

George Town (Penang)	..	..	..	..	189,068
Kuala Lumpur (Selangor)	..	..	..	..	175,961
Ipoh (Perak)	..	..	..	..	80,894
Malacca (Malacca)	..	..	..	..	54,507
Taiping (Perak)	..	..	..	..	41,361
Johore Bahru (Johore)	..	..	..	..	38,826
Seremban (Negri Sembilan)	..	..	..	..	35,274
Klang (Selangor)	..	..	..	..	33,506
Alor Star (Kedah)	..	..	..	..	32,424
Bandar Maharani (Johore)	..	..	..	..	32,228
Kuala Trengganu (Trengganu)	..	..	..	..	27,004
Bandar Penggaram (Perak)	..	..	..	..	26,506
Telok Anson (Perak)	..	..	..	..	23,055
Kota Bharu (Kelantan)	..	..	..	..	22,765

IMMIGRATION.

The volume of immigration by direct sea or land entry into the Federation of Malaya is small in comparison with the traffic through Singapore, which must be regarded as the main channel of entry to the country. There is no control of movement between the two territories, and in the absence of such control permission to enter Singapore must be accepted as tantamount to the grant of permission to enter the Federation. No survey, therefore, of the control of immigration into the Federation would be complete, which did not take into account the control exercised in the neighbouring Colony of Singapore. Further, it will under the circumstances be realised that, although the two administrations have each their own separate Immigration Department, those Departments find it necessary to work in the closest collaboration and to adopt, as far as circumstances will permit, parallel lines of policy and procedure. Such collaboration existed throughout the year 1948.

Prior to the war, control of alien immigration into Malaya was regulated by means of a monthly quota of immigrants allowed entry. This quota was fixed in accordance with the economic needs of the country at the time. Since the liberation, quantitative control has been superseded by a policy of progressive restriction of immigration on a selective basis, in which both economic and political considerations play an important part.

Control of entry is exercised through the medium of the various immigration laws and regulations in force, namely the Passengers Restriction Ordinance and Enactment, the Aliens Ordinance and Enactments, and the Passport Regulations.

Subject to compliance with the above-mentioned laws and regulations, the following categories of persons are permitted entry to the country :

- (i) British subjects and British protected persons in possession of valid British passports.
- (ii) British subjects and British protected persons, to whom Entry Permits have been issued by the Controller of Immigration, Federation of Malaya, or by the corresponding authority in Singapore.

- (iii) Aliens with valid passports, duly visaed for the Federation of Malaya or Singapore.
- (iv) Aliens to whom Certificates of Admission or Entry Permits have been issued by the Controller of Immigration, Federation of Malaya, or by the corresponding authority in Singapore.

The Certificate of Admission referred to in paragraph (iv) is a document granted by the Controller of Immigration under section 23 of the Aliens Ordinance (S.S. Laws Cap. 90) or the corresponding sections in the various Aliens Enactments in force in the Federation, to persons resident in the country, who wish to leave the country for not more than two years, the maximum period of validity of the Certificate. Figures of the number of Certificates of Admission issued during the year are given in Appendix A.

The Entry Permit referred to in paragraph (iv) is issued to applicants in foreign countries, who wish to enter the Federation of Malaya, and are considered by the Controller of Immigration to come within the categories of persons, whose entry may be permitted.

At the beginning of the year those categories were :

- (a) Aliens who could prove previous residence in the country.
- (b) Wives and children under 12 of alien residents, a resident being defined as a person who had lived not less than eight years in the country.
- (c) Skilled artisans and labourers, of a type not available locally and required for the needs of local industry.
- (d) Aliens belonging to the professional classes.
- (e) Aliens permitted entry on special compassionate grounds at the discretion of the Controller of Immigration, generally in consultation with the Secretary for Chinese Affairs.

Applicants for this type of permit were mainly Chinese.

Category (a) was cancelled during the year on the grounds that sufficient time had been given for all previous residents of the country to return, if they so wished.

Approval of applications by British Indians for the type of Entry Permit referred to in paragraph (ii) is dependent upon the production of a guarantee satisfactory to the Controller of Immigration that work is available for the applicants in this country.

Malaya's geographical position with her long and irregular land border with Siam, and a coastline, the greater part of which is adjacent to and within easy sailing distance by small craft from neighbouring foreign countries, renders the country particularly vulnerable to illegal immigration.

Restriction of immigration has resulted in a marked increase in this form of traffic. Contributory factors have been the economic stability of Malaya in comparison with surrounding countries and the pressure of military conscription in China. Later in the year, the incidence of the Emergency resulted in a decrease in the volume of illegal entry.

The prevalence of illegal immigration over the Siamese border led to the introduction during the year of a scheme which depended for its efficacy upon the registration of all persons resident within a

defined area contiguous with the border and the arrest and detention, with a view to their deportation, of all aliens found to be without identity cards in the defined area after registration was complete, on the presumption that they were illegal immigrants. It is confidently hoped that country-wide registration will go a long way towards solving the problem of illegal immigration.

Statistical information is given in attached Appendices "B", "C" and "D". Appendix "B" shows the overall migration figures for both the Federation and the Colony. These figures, while showing the actual loss or gain during the year, give no index of "real" immigration, as they include :

- (a) persons landing in Singapore in transit for countries outside Malaya,
- (b) persons who make frequent visits from neighbouring countries and appear as immigrants and emigrants on each occasion of their arrival and departure; and
- (c) residents who leave the country for a temporary visit to China or India and are classified as emigrants on their departure and immigrants on their return.

A more accurate picture of "real" immigration, i.e., the number of newcomers entering the country, may be obtained from Appendices "C" and "D". Appendix "C" gives the number of Entry Permits issued to aliens and the number of aliens in possession of Entry Permits who arrived during the year, both for the Federation and the Colony of Singapore, while Appendix "D" shows the number of Entry Permits issued to British subjects (Indians) in both territories. The figures given in Appendices "C" and "D" are included in the overall figures given in Appendix "B".

APPENDIX "A".

CERTIFICATES OF ADMISSION ISSUED IN THE FEDERATION OF MALAYA DURING 1948.

Month.			Male.		Female.		Children.		Total.
January	..	..	496	..	250	..	416	..	762
February	..	..	473	..	311	..	23	..	807
March	..	..	866	..	621	..	29	..	1,516
April	..	..	987	..	633	..	45	..	1,665
May	..	..	829	..	434	..	38	..	1,301
June	..	..	679	..	375	..	35	..	1,089
July	..	..	607	..	469	..	68	..	1,144
August	..	..	1,098	..	592	..	198	..	1,888
September	..	..	1,833	..	682	..	240	..	2,755
October	..	..	1,926	..	657	..	213	..	2,796
November	..	..	1,560	..	608	..	209	..	2,377
December	..	..	1,999	..	643	..	239	..	2,881
Total			13,353	..	6,275	..	1,353	..	20,981

APPENDIX "B".

FEDERATION OF MALAYA MIGRATION STATISTICS FOR 1948.

Immigration.	Men.	Women.	Children.	Total.
European	853 ..	513 ..	198 ..	1,564
Chinese	30,220 ..	6,679 ..	1,387 ..	38,286
Malays	4,828 ..	1,387 ..	283 ..	6,498
Indians	16,848 ..	3,411 ..	3,048 ..	23,307
Siamese	6,070 ..	1,447 ..	50 ..	7,567
Others	151 ..	73 ..	21 ..	245
Total ..	58,970	13,510	4,987	77,467

Emigration.	Men.	Women.	Children.	Total.
European	572 ..	377 ..	138 ..	1,087
Chinese	31,969 ..	7,027 ..	1,522 ..	40,518
Malays	3,935 ..	1,623 ..	264 ..	5,822
Indians	17,229 ..	2,862 ..	4,098 ..	24,189
Siamese	6,097 ..	1,415 ..	44 ..	7,556
Others	109 ..	44 ..	18 ..	171
Total ..	59,911	13,348	6,084	79,343

FEDERATION OF MALAYA GAIN AND LOSS OF IMMIGRANTS
FOR THE YEAR 1948.

	Men.	Women.	Children.	Total.
European	+281 ..	+136 ..	+60 ..	+477
Chinese	-1,749 ..	-348 ..	-135 ..	-2,232
Malays	+893 ..	-236 ..	+19 ..	+676
Indians	-381 ..	+549 ..	-1,050 ..	-882
Siamese	-27 ..	+32 ..	+6 ..	+11
Others	+42 ..	+29 ..	+3 ..	+74

APPENDIX "C".

ENTRY PERMITS ISSUED TO ALIENS FOR ENTRY TO THE
FEDERATION OF MALAYA IN 1948.

Month.	Men.	Women.	Children.	Total.
January	199 ..	937 ..	813 ..	1,949
February	119 ..	388 ..	310 ..	817
March	178 ..	777 ..	526 ..	1,481
April	104 ..	587 ..	460 ..	1,151
May	87 ..	487 ..	354 ..	928
June	37 ..	204 ..	111 ..	352
July	23 ..	87 ..	40 ..	150
August	7 ..	30 ..	30 ..	67
September	10 ..	56 ..	34 ..	100
October	10 ..	40 ..	12 ..	62
November	4 ..	20 ..	5 ..	29
December	3 ..	28 ..	11 ..	42
Total ..	781	3,641	2,706	7,128

NUMBER OF ALIENS WHO ENTERED THE FEDERATION OF MALAYA
HOLDING ENTRY PERMITS DURING 1948.

Month.	Men.	Women.	Children.	Total.
January	423 ..	353 ..	118 ..	894
February	146 ..	116 ..	35 ..	297
March	483 ..	569 ..	202 ..	1,254
April	352 ..	749 ..	206 ..	1,307
May	411 ..	950 ..	323 ..	1,684
June	309 ..	646 ..	240 ..	1,195
July	195 ..	449 ..	175 ..	819
August	69 ..	305 ..	127 ..	501
September	74 ..	225 ..	118 ..	417
October	41 ..	114 ..	78 ..	233
November	13 ..	46 ..	31 ..	90
December	7 ..	21 ..	8 ..	36
Total ..	2,523 ..	4,543 ..	1,661 ..	8,727

APPENDIX "D".

ENTRY PERMITS ISSUED TO BRITISH SUBJECTS (INDIANS) FOR ENTRY
TO THE FEDERATION OF MALAYA IN 1948.

Month.	Men.	Women.	Children.	Total.
January and 1st-15th				
February	— ..	— ..	— ..	2,963*
February 16th-28th ..	286 ..	106 ..	43 ..	435
March	1,195 ..	284 ..	162 ..	1,641
April	1,645 ..	365 ..	265 ..	2,275
May	1,782 ..	287 ..	207 ..	2,276
June	641 ..	190 ..	93 ..	924
July	432 ..	227 ..	68 ..	727
August	499 ..	275 ..	95 ..	869
September	502 ..	227 ..	98 ..	827
October	716 ..	202 ..	129 ..	1,047
November	828 ..	253 ..	138 ..	1,229
December	898 ..	245 ..	177 ..	1,320
	9,434 ..	2,661 ..	1,475 ..	13,570
				2,963
				16,533

CHAPTER II.

*OCCUPATIONS, WAGES, LABOUR ORGANISATION,
TRADE UNIONS, CO-OPERATIVE SOCIETIES.*

As the 1947 Census Report is not yet available it is difficult to produce an accurate survey of the manpower position in the Federation of Malaya classified under separate trades, industries and occupations. The total population of the Federation of Malaya as at September 23rd, 1947, was 4,908,086 and it is estimated that of these at least two million were engaged in gainful occupations. The natural growth of the population is high. It is calculated to be about 2.5 per cent. per annum and this is considered a conservative estimate.

Although the labour supply position improved in some States within the Federation the estimated labour shortage at the end of the year was between 20 and 25 thousand workers. There was a steady

*Break-down figures not available.

demand for labour throughout the year in spite of the fact that the number of workers engaged in reconstruction and rehabilitation decreased as a result of the Emergency. The tin mines continued to absorb labour and it became obvious that labour was less mobile than before. The worker, if he found himself unemployed, tended to remain in the same area where he had previously been employed and waited for further work within that area.

There was an increase of 15,920 workers in the mining industry during the year. It is estimated that the natural growth of the population in Malaya should soon meet all foreseeable needs for labour and in these circumstances there may be no need for further immigration. There exists, however, a large number of persons who prefer to work independently rather than for wages. This section of the community is often under-employed and as a result tends to be undernourished. Its existence has an appreciable effect upon the Malayan Federation economy.

In spite of the Emergency, the lack of materials and the high cost of building, considerable progress has been made in rebuilding and renovating living accommodation on estates and mines. Living conditions on some of the smaller places of employment, however, are not yet satisfactory and progress has been slow. Further progress has also been made in the provision of adequate sanitation and of schools, playing fields, cinemas and other amenities in rural areas but the general housing conditions of the urban worker in the larger towns continue to be generally unsatisfactory mainly because of overcrowding.

Labour in the Federation of Malaya consists mainly of Malays, Indians and Chinese. In many areas there has been reluctance on the part of the Malays to resort to a wage economy but this attitude is rapidly changing. It may be some time before they completely adapt themselves to their new environment and to the idea of regular hours of work but during 1948 it became evident that many employers found the Malay workers very satisfactory. Although over 40,000 Malays were recruited during the year for the Malay Regiment, the police and special constabulary, almost 8,500 found their way into a wage economy within the field of industry.

The Indian worker in Malaya has mainly been recruited from the Madras Presidency but in 1938 the Government of India decreed that no further unskilled workers would be permitted to emigrate from that Presidency to Malaya. The number of Indian workers employed at the end of 1938 was 257,735; at the end of 1947 the figure was 204,723, while at the end of 1948 it was 201,706—a reduction of over 3,000 on the 1947 figures. The high mortality rate during the Japanese period was principally responsible for this decline. The majority of those who died were males, forcibly conscripted for work on the Burma-Siam Railway. Many Indians have also returned to India. In spite of the loss shown by the 1948 figures for the whole Federation there has been an increase in one of the States.

The Chinese, who partly as a result of the Japanese occupation had tended to drift away from the towns, have as a result of the Emergency halted in this outward movement during the year and there has been a decided move to the towns and areas adjacent to

them, or to well-established places of employment. The Chinese squatters have been seriously disturbed by the activities of the terrorists and necessarily also (in places) by the operations of the Security Forces. As a result many of them have moved to new areas. Although the increase in the number of workers on the mines during 1948 was nearly 16,000, the majority of them being Chinese, the total increase in Chinese workers in the Federation was only 11,352. Some have left estates and other places of employment and moved to the mines and some have turned to vegetable production and padi cultivation. The Chinese have an aptitude for agriculture and on estates and mines they are usually the most energetic workers. Their standard of living is generally higher than that of other races and in general they have a better appreciation of their value as workers to an individual employer.

Owing to differences in the terrain, variations in the incidence of industrialisation and the fact that Malay, Chinese and Indian workers are not evenly distributed, each State of the Federation has to some extent its own special characteristics and problems of labour and employment. The industrial disputes and strikes during the first six months of the year followed a definite pattern and were in the main the result of Communist activities which led to the declaration of the state of Emergency in the Federation during the month of June. It is not intended to give details of disputes and strikes but to describe the significance of this period of industrial unrest. In January 17,500 man-days were lost through industrial disputes and in February the figure increased to 28,000. During March and April there was a slight downward trend and the figures were 10,500 and 12,500 respectively. In April the Malayan Planting Industries Employers' Association increased the rates of pay for all workers on estates and although it was known that the workers as a whole appreciated this increase the man-days lost during the month of May as a result of strikes reached a total of 178,500. In June the Malayan Mining Employers' Association also increased their wage rates to keep in line with the increase in the price of tin but the figure of man-days lost remained high at 117,000. From January to June there was an intensification of pressure on the workers by the Communist Party and its satellite bodies the Pan-Malayan Federation of Trade Unions and the State Federations of Trade Unions. Genuine industrial grievances were subordinated to incidents engineered by pseudo-trade union leaders later to become bandits. After the meeting of the Pan-Malayan Federation of Trade Unions in Singapore in April, 1948, it was evident that the Communist Party, which dominated the majority of the Trade Unions of workers not employed by Government, was determined to embark on a campaign designed to disrupt the economy of the country and bring industry to a complete standstill. The employers in the two main industries who were organised into their two trade unions, the Malayan Planting Industries Employers' Association and the Malayan Mining Employers' Association, found it virtually impossible to negotiate with the unions whose only aim was the creation of chaos but in spite of this they did their best to keep contact with their workers and their action in increasing wages in April and June did have some stabilising effect. It is pleasing to record that the

trade unions of Government employees partly as a result of the protection afforded them by the Trade Union Ordinance and largely because of the courage and ability of their leaders, avoided domination or even contamination of their organisations by the Pan-Malayan Federation of Trade Unions or the State Federations.

Employer-employee relations improved during the last six months of the year and there was no dispute or strike of any importance after the 16th July. It is hoped that there will be further improvement in employer-employee relations especially at the domestic level and that the establishment of Whitley Council Machinery in the Government service will provide a real opportunity for the expeditious consideration of grievances and the amicable settlement of disputes.

Two disputes of importance deserve mention. The first is illustrative of the attitude of workers as compared with that of their Malayan Communist Party representatives and the second involved the setting up for the first time of a Court of Inquiry under the Industrial Courts Enactment. The former arose between the employees and management of the General Transport Company, Kuala Lumpur. On the 9th February, 1948, demands were made to the manager of the Company by representatives of the Selangor Bus and Transport Workers' Trade Union of which the chief were the grant of a cost-of-living allowance and alteration of the length of the agreement of service. On the 11th and 12th February respectively, two workers were dismissed by the Manager, who acted in accordance with the law, and the President of the Union at once wrote to the Manager requesting their reinstatement. The Manager refused this request and attempts were made by the Labour Department to avert the strike, but without success. The strike started on the 18th February and 174 workers were involved. On the 20th February the Manager posted a notice calling upon all employees to resume work on the 23rd at the same rates of pay, in default of which they would be considered as having broken their agreements and to be no longer in the Company's employ. There was no response to this notice. On the 3rd March at the meeting held in the Labour Office both parties agreed to refer their dispute to an Arbitration Board to be set up under the provisions of the Industrial Courts Enactment. The terms of reference were made acceptable to both sides and pending the award of the Arbitration Board the workers agreed to resume work on the 24th March. The Board met on the 20th and 21st March and recorded evidence from both sides. The Board was unfortunately unable to reach a unanimous agreement as the employees' nominees rejected any suggestion of a compromise, but the majority of the Board agreed on the following award:

- (i) the termination of the services of the two employees was in strict accordance with the terms of their employment,
- (ii) no adjustment in wages and allowances over the current rates set out in the agreement of August, 1947, was justifiable or practicable,
- (iii) the Company was under no obligation, legally or morally, to pay the wages of its employees during the period of the strike.

The employees' nominees failed to produce a minority report on the proceedings as they had promised. They were both important members of the Malayan Communist Party. When the award was published the workers accepted the position and remained at work.

The second dispute was one between the Port Swettenham Harbour Workers and their employers. On the 28th April 705 harbour workers employed by the contractor of the Malayan Railways and 417 stevedores employed by the Eu Lee Landing and Shipping Company went on strike, demanding a general increase in wages and cost-of-living allowances. Negotiations between the harbour workers' trade union and the employers failed to produce any result and the strike continued. Eventually, after preliminary notifications to both parties, a Court of Inquiry was appointed under the Industrial Courts Enactment. This Court, which was the first of its kind to be set up in the Federation, sat on the 5th and 6th of May and in its interim report of the 10th May it came to the conclusion that the strike action taken by the Union was wholly illegal. On the 9th May the strike of the stevedores of the Eu Lee Company ended after negotiation. This negotiation resulted in a concession involving an all-round increase in wages. The stevedores, however, were unable to carry on their work as the workers employed by the Railway contractor were still on strike. On the 14th May the parties to the dispute were warned that unless they adopted the recommendations of the Court of Inquiry and resumed work without further delay it would be the Government's duty to give immediate consideration to direct employment of labour needed for the operation of the Port. In the meantime 185 Malay workers who had volunteered were engaged by the Railway contractor to remove cargo much of which was sugar which was deteriorating in the Port. On the 18th May the Malayan Railway contractor's employees resumed work. On the 19th the European manager of the contractor was assaulted at his house by 15 to 20 Indian workers and 12 persons were later arrested. The final report of the Court of Inquiry was completed by the 16th June. Its main recommendations were that the Railway Administration should employ labour direct and not through a contractor; that the Department should provide adequate housing accommodation for workers and employ a Welfare Officer. It further recommended the institution of negotiating machinery at the domestic level which would ensure that any grievances could be properly ventilated. The action necessary to implement these recommendations is under consideration. In the meantime a Welfare Officer has been appointed and progress has been made in regard to accommodation for the workers.

TRADE UNIONS.

1948 has been a year of stress and strain for the Malayan Trade Union movement. For the first six months the movement in Malaya was largely dominated by the Malayan Communist Party through the Pan-Malayan Federation of Trade Unions and its satellite Federations. In the second six months the movement was affected by Emergency conditions and by the disappearance of the Pan-Malayan Federation of Trade Unions and its State subsidiary

bodies and the desertion of the Communist leaders, who after June began a campaign of terrorism aimed against the Government and people.

By the year's end the Trade Union movement, freed from communist and gangster elements, had shaken off its initial fear and workers began again to think in terms of leadership and were talking of plans for convening a national conference of registered Trade Unions to establish a central organisation or body of unions for Malaya.

Before the Emergency was proclaimed in June, the Malayan Communist Party had been a lawful body operating and concentrating its main attention on the industrial labour. So great was the hold of this Communist industrial organisation in its campaign of causing economic disorder by strikes that during the month of May alone no less than 178,500 man-days were lost through disputes and stoppages. After June the Malayan Communist Party was banned. Their leaders and organisers either disappeared, were detained, or have since been killed in operations or are still in hiding and are part of the bandit forces in the jungle. No working days were lost through strikes or stoppages in August and September and very few during the remaining three months of the year.

Before the Emergency began in June, it was believed that approximately 100 unions were free from communist domination or infiltration. The membership of the independent unions amounted to slightly less than one-third of the membership of all Trade Unions operating. It was these independent unions which provided the sound core of survival for the movement in Malaya after June.

In mid-November, His Excellency the High Commissioner, Sir Henry Gurney, said in his report to the Federal Legislative Council that normal trade union activity was being carried on with the full support of the Government.

“ *Bona fide* Trade Unions continue to be formed” he said, “and we may confidently hope for the healthy and progressive development of the movement in this country, now that it has been purified of the undesirable elements that marred its early growth.”

Of outstanding importance during 1948 was the visit to Malaya of Mr. S. S. Awbery, M.P., and Mr. F. W. Dalley, late National Officer of the Railway Clerical Association in the United Kingdom. In their report to the Secretary of State for the Colonies on “Labour and Trade Union Organisation in Malaya and Singapore”, writing of the situation in March, 1948, they said:

“ In all the circumstances the Trade Union position is nearly as good as we had hoped and better than we had feared . . . Some of the Trade Unions, particularly the old established ones, have a good grasp of essentials and are organising on sound lines under democratic leadership . . . The majority, however, are immature; the members know little of Trade Unionism, some of them are exploited by the unscrupulous, and much educational work needs to be done . . . ”

They were outspoken about the Federation of Trade Unions, making a strong indictment of the activities of these communist-controlled bodies. Their Report gave a brief picture of the trials which the union movement in Malaya had had to undergo until the time of their visit in February, 1948. They stated:

“ The Federations called strikes, but paid no strike pay or similar benefits; framed demands but carried out no negotiations, preferring to remain in the background and to act as the ‘power behind the throne’, while pushing forward union leaders whom they interfered with and often intimidated. They claimed to give unions advice and help, but in practice they left the officers of the affiliated unions to do the negotiations and then prevented any settlement being made when, as is usually the case, they disagreed with the provisional agreement arrived at. The genuine union authority and the members themselves are disregarded throughout the skirmishings.”

With most of the industrial Trade Unions under the control of the Malayan Communist Party it was inevitable sooner or later that there would be conflict between the Pan-Malayan Federation of Trade Unions and the Government. The basic issues were whether responsible industrial or occupational Trade Unions should be encouraged and established under a proper system of registration or whether the Trade Union movement should be dominated entirely by the Malayan Communist Party. The alternative to both these was whether there should be any trade unions at all.

The Governments of the Federation of Malaya and Singapore chose the course of encouraging responsible and democratic Trade Unions and assisting them to develop along normal lines.

During the latter half of 1947 it had become obvious that the Pan-Malayan Federation of Trade Unions which was clearly a communist-controlled organisation and the State Federations of Trade Unions, which were mere satellites of the central body with little if any independent executive authority, were preventing the development of sound trade unionism and that policy was dictated by persons whose objective was anything but the welfare of the workers whom they claimed to represent.

This state of affairs was not only an obstruction to the initiation of sound trade unionism but was also oppressing unions which might otherwise have developed into sound organisations of workers. Careful consideration was given to the leadership of these pseudo-trade union federations and it was found that few of the leaders of these bodies had had any experience in the industries whose workers they ostensibly served. Some were convicted criminals and in order to maintain their numerous officials and strong armed squads it appeared to be their policy to effect heterogeneous federations thus rendering more remote the possibility of collective bargaining on a national, industrial or occupational basis. To deal with these undesirable developments proposals were made for the amendment of the Trade Union Ordinance so as to provide for the restriction of office bearers of trade unions with the exception of the Secretary, to persons who had had a minimum of three years' experience in the

industry concerned; the prevention of persons convicted of extortion, intimidation and other similar serious crime from holding such office, and the prohibition of the federation of trade unions otherwise than on an industrial or occupational basis.

Because of the diversity of their interests the communist-controlled Federations could not conform to these requirements or provisions and were, therefore, unable to register. Repeated advice was given to these Federations as to how to put their house in order but their officers made no attempt to reorganise on a basis of similar occupational or industrial interests or to comply with the provisions of the Ordinance. Most of their officers could not qualify as they had never worked in the industry, and others had criminal convictions.

When it became clear that the Government intended to take action to curtail the power wielded by the Communists, many of the senior officers of Federations of Trade Unions left their posts and disappeared. Puppet officials planted by the Communists in many of the satellite unions also vanished, generally taking with them the Trade Union funds. With the outbreak of armed violence a state of Emergency was declared in the Federation of Malaya on 19th June, 1948, and in Singapore on 23rd June, 1948.

In July the Registrar of Trade Unions began serving notices on those organisations which had previously been warned or had failed to comply with the provisions of the Ordinance or were reported to have ceased to exist. Ninety-five Unions were removed from the register as a result. Enquiries made in September established the fact that most of the communist-controlled unions had ceased to exist. These did not include several smaller unions which passed routine resolutions dissolving their organisations.

By the end of September, 1948, the estimated membership of the Trade Unions in Malaya was more than halved, falling from a figure of 154,434 in April to 75,564.

During October, 12 further certificates were cancelled after enquiries had shown that the unions had ceased to exist; two of these unions dissolved in a normal manner on the grounds of lack of support. In November, nine unions ceased functioning, four being cancelled on the grounds that they no longer existed, two dissolved themselves through lack of funds and interests, and three resolving to form themselves into Societies.

These figures give some idea of the extent to which the Malayan Communist Party had gained control over a large section of the Malayan Trade Union movement. The declaration of the Emergency revealed beyond doubt that the movement in Malaya was in two sections, unions inspired with genuine Trade Union sentiment and unions which had been organised and maintained for exploitation by the Communist Party. The former section was determined to carry on with its legitimate aims and objects whatever conditions the Emergency might produce.

The last six months of 1948 was a difficult period for the Trade Union movement with many unions disintegrating after the leaders had vanished. Others, which had survived communist domination,

were now theoretically free to operate along normal lines, to work without outside interference and to react to Government's declaration of its intention to continue to foster and encourage the responsible Trade Union movement. It says much for the genuine desire and sentiment behind the Trade Union movement in Malaya that so many unions decided to continue their normal activities despite their uncertainties and fears of the possible effects of the Emergency. To many progressive-minded employers this was an opportunity which they had long awaited. If the Trade Union movement could be encouraged to progress along proper lines then it would be of benefit both to employers and employees alike. Others, whose attitude in the first place had been neutral, soon began to encourage their workers to form Trade Unions when they found that the many strikes and disputes which had been sponsored by the Pan-Malayan Federation of Trade Unions had ceased at the beginning of the Emergency and that the workers, now free from outside interference, were working normally and desired closer co-operation with the estate manager or employer.

The circumstances existing on the industrial front during 1948 have created certain difficulties. The incitement of agitation and propaganda, with consequent strikes and stoppages, during the first six months of the year made it difficult both for the officers of the Trade Union Department to advise officers and members of communist-controlled unions on correct Trade Union procedure and for officers of the Labour Department to settle by methods of conciliation and negotiation the many industrial disputes which were politically inspired and controlled. It was not so much a case of ignorance on the part of the Pan-Malayan Federation of Trade Unions as a deliberate policy where intervention and advice by outside neutral bodies was not wanted and not in accord with Communist Party policy.

The future development of Trades Unionism will depend to a large extent on workers and employers accepting joint responsibility for maintaining and improving good industrial relations. Already there are signs of this but much has yet to be done.

There is a major need for the education of workers and officials of Trade Unions alike. The production of simple material in Malay, Chinese, Tamil and English was continued during the year in collaboration with the Department of Public Relations which continued to disseminate by means of simple pamphlets and through Mobile Public Address Units educational material on Trades Unionism and matters of interest to labour.

Towards the end of the year suitable material of this nature was adapted for broadcasting in vernacular languages but the lack of adequate listening facilities amongst the workers limited the use of this medium.

The educational programme of the Trade Union Adviser's Department for 1949 is largely directed to the members and officers of Trade Unions.

Two members of the staff of that Department were sent to the United Kingdom for training during the year.

Registration of Trade Unions.

The registration of trade unions proceeded during the year and a comparison of the position in 1947 and 1948 is shown below :

REGISTRATION OF TRADE UNIONS IN THE FEDERATION OF MALAYA, 1948.

		Applications for Registration. At the end of			No. of Trade Unions Registered. At the end of			No. of Trade Unions.					Position as at 31-12-48.	
		1947.	1948.	Total.	1947.	1948.	Total.	Abandoned.	Dissolved.	Cancelled.	Withdrawn.	Total.	No. of Unions on record.	Outstanding applications.
Employers' Trade Unions	.. ..	24	1	25	21	2	23	2	8	7	2	19	6	—
Employees' Trade Unions	.. ..	453	48	501	277	40	317	159	40	118	3	320	156	25
Total	..	477	49	526	298	42	340	161	48	125	5	339	162	25

At the beginning of the year there were 289 unions on the Register. In order to appreciate the true position, these unions may be divided into three classes ; 117 unions which were under the control of the communist Pan-Malayan Federation of Trade Unions, 86 unions which were independent of such control and 86 unions the status of which was doubtful.

With the coming into force of the Trade Unions (Amendment) Ordinance, 1948, the Pan-Malayan Federation of Trade Unions and the eleven State Federations failed to qualify for registration.

The officers of the Federations and certain officers of the affiliated unions did not attempt to reform the Federations to comply with the Ordinance but took to the jungle as part of the terrorist forces in a campaign of murder and extortion against all communities.

With the withdrawal of the communist officers, the unions under their control ceased to exist and notice of intention to cancel their certificates of registration at the expiration of two months unless cause be shown to the contrary was served on such unions. Cancellations were made when no cause was shown.

Forty-two unions were added to the Register during the year and the position at the end of the year was 162 unions on the Register and 25 applications for registration under consideration.

An analysis of the income and expenditure of 171 Employees Trade Unions for the year 1st April, 1947, to 31st March, 1948, as compiled from the Annual Returns filed, is as follows :

INCOME.		EXPENDITURE.	
	Percentage.		Percentage.
Entrance Fees	4.5	Establishment Expenditure	7.8
Subscriptions	73.3	Salaries, Allowances	22.0
Sales of Rules, etc.	1.0	Rents, Rates and Taxes	9.1
Donations	6.3	Stationery, Printing and Postages	7.6
Other Means	14.9	Compensation on Trade Disputes	1.2
		Benevolent Activities	3.3
		Educational, Social and Religious Benefits	2.6
		Affiliation Fees to Federations	1.8
		Other Expenses	36.8
		Excess of Income over Expenditure	7.8

The above income and expenditure shows an average annual contribution per member as follows :

INCOME.		EXPENDITURE.	
	\$ c.		\$ c.
Entrance Fees	32	Establishment Expenditure	57
Subscriptions	5 31	Salaries and Allowances	1 60
Sale of Rules	08	Rents, Rates and Taxes	66
Donations	45	Stationery, Printing and Postages	55
Other Means	1 08	Compensation on Trade Disputes	08
		Benevolent Activities	23
		Educational, Social and Religious Benefits	19
		Affiliation Fees to Federations	13
		Other Expenditure	2 69
		Savings	54

Wages.

Wage levels generally showed an upward trend. In the planting industries the rates now in operation were agreed as from the 1st of April, 1948, and have not since been altered. A development of some interest however was the gradual movement towards piece working in this industry. In the past it has been the Chinese almost exclusively who have been employed on contract rates. The number of Tamil tappers who have voluntarily gone on to piece work terms is steadily increasing and once a worker has got used to this type of payment for his work and realises that his employer is not going to

take advantage of his higher income to reduce the rate per pound, he tends to be reluctant to return to time work. The effect of this change in practice may be to show an appreciable increase in out-put per head throughout the industry which would result in higher average earnings and improved living standards.

In the tin industry wage rates were adjusted following the increase in the controlled price of tin in June, 1948, and were not subsequently varied. The comparatively high wage rates which this industry is able to pay and the ready recognition of the right of the worker to participate in any increase in price has rendered the engagement of staff by newly reopened tin mines a comparatively easy matter despite the present state of full employment throughout the country.

The wage levels for workers employed by the Government remained constant throughout the year as they were based on the Wages Commission Report which had been implemented in 1947.

In other industries there was a gradual upward trend in wage levels throughout the year as the results of the increase in wages for Government workers in 1947 and the increases in the two main industries in April and June of the year under review.

Cost of Living.

The general trend of the cost of living during 1948 was downwards, though it will be seen from the accompanying tables of several groups of indices that the decrease was not considerable.

Indices for Chinese and Indian labourers show that, while for the former the average index number for 1948 was 87 as compared with 100 for January, 1947, the Indian index had only fallen to 96. Taking the trend during 1948 however, i.e., based on January, 1948—100, the Chinese index fell to 93.3, with an average of 96.8 for the year, while the Indian index fell to 91.1, with an average of 94.6.

Indices for Europeans and clerical categories are based on 1939, but additional indices have also been calculated to show the 1948 trend. Taking the latter first, while the European index fell only to 98.3, with an average of 98.85 for the year, the Malay index fell to 88.4 in September and October, with an average of 91.4 for the year. The index for Eurasians, Chinese and Indians fell to 91.4 in September and October, with an average of 93.7 for the year.

Based on 1939, however, the European index shows the smallest increase, an average of 232 for 1948, as compared with 340 for Malays and 328 for Eurasians, Chinese and Indians.

An additional composite index for all races has been calculated, based on the weightings of the Federation indexes (excluding labourers) and of the Singapore indexes for Europeans and clerical standard; it has been calculated at Federation rates and prices. This composite index shows an average of 317 for 1948, taking 1939 as the base; considering only the trend in 1948, it shows a decrease to 91.1 in September and October, and an average of 93.4 for the year in comparison with January, 1948—100.

The price of most foodstuffs fell during the year, the exceptions being pork, fowls, pepper and turmeric, fresh coconuts, coconut oil, coffee beans, wheat flour, gingelly oil, fresh milk, and ragi.

The controlled price of rice was 25 cents per kati in January, 1948, and 30 cents for the rest of the year, an average of 30 cents for the year as compared with 24 cents for 1947. Average prices of free market rice in cents per kati during the year were as follows :

	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.	Average.
Siamese ..	84	80	72	62	59	58	57	51	49	48	51	50	60
Local ..	59	58	50	45	42	41	40	39	36	36	39	38	44
Broken ..	42	42	38	35	34	34	30	30	29	28	29	29	33

The average prices for 1947 were : 77, 55 and 44 cents per kati respectively.

Comparative prices for foodstuffs are based on the averages of weekly market price reports from Alor Star, Kota Bharu, Kuala Trengganu, Penang, Ipoh, Sitiawan, Kuala Lumpur, Kuala Lipis, Kuantan, Seremban, Malacca, Muar, and Johore Bahru.

A table follows which gives retail price indices for food, clothing, household requisites, and transport. The indices are unweighted and are based on 1939—100. Most groups include a number of items, the index number being an average of the percentage increase or decrease of each item inside the group.

It will be seen that market prices of foodstuffs are still well above 1939 prices, though Singapore Cold Storage prices (Kuala Lumpur) show a much smaller increase.

Firewood and kerosene prices rose at the end of the year.

The price of spirits rose in November with the increase in duty. Cigarettes and tobacco rose in August, also due to increased duty.

Toilet requisites and household linen and bedding increased in price towards the end of the year.

Prices fell for men's clothing, though materials for men's clothing rose in price early in the year, fell slightly but rose again at the end of the year.

COST OF LIVING INDICES, 1947 and 1948.

Chinese and Indian Labourers.

Base: January, 1947=100.

Month.	Chinese.			Indian.		
	1947.	1948.		1947.	1948.	
January	100	90	..	100	101	..
February	101	91	..	99	100	..
March	97	90	..	97	98	..
April	91	88	..	99	97	..
May	92	87	..	100	96	..
June	91	86	..	97	95	..
July	92	86	..	101	95	..
August	91	86	..	101	95	..
September	90	86	..	99	94	..
October	88	86	..	99	92	..
November	89	85	..	98	92	..
December	89	84	..	99	92	..
Average	92	87	..	99	96	..

COST OF LIVING INDICES, 1948.

European and Clerical Classes.

Base: 1939=100.

1948.		European.		Malay.		Eurasian, Chinese and Indian.		Composite: All Races.
January	.. ..	235	..	372	..	350	..	338
February	.. ..	234	..	358	..	342	..	330
March..	.. ..	233	..	347	..	334	..	323
April ..	.. ..	233	..	345	..	331	..	321
May ..	.. ..	232	..	339	..	327	..	316
June ..	.. ..	232	..	336	..	325	..	314
July ..	.. ..	231	..	331	..	322	..	311
August	.. ..	232	..	332	..	322	..	311
September	.. ..	232	..	329	..	320	..	308
October	.. ..	231	..	329	..	320	..	308
November	.. ..	231	..	332	..	321	..	310
December	.. ..	232	..	333	..	323	..	311
Average	..	232	..	340	..	328	..	317

NOTE.—The composite index has been constructed from the combined weightings of the Federation and Singapore indexes for Europeans and non-European clerical classes.

COST OF LIVING INDICES, 1948.

European, Clerical Classes and Labourers.

Base: January, 1948 100.

1948.	Composite: All Races.		European.		Malay.		Eurasian, Chinese and Indian.		Labourers.	
									Chinese	Indian.
January	100	..	100	..	100	..	100	..	100	100
February	94.1	..	99.6	..	96.2	..	97.7	..	101.1	99.0
March ..	95.6	..	99.1	..	93.3	..	95.4	..	100.0	97.0
April ..	94.9	..	99.1	..	92.7	..	94.6	..	97.8	96.0
May ..	93.5	..	98.7	..	91.1	..	93.4	..	96.7	95.0
June ..	92.9	..	98.7	..	90.3	..	92.9	..	95.6	94.1
July ..	92.0	..	98.3	..	89.0	..	92.0	..	95.6	94.1
August ..	92.0	..	98.7	..	89.2	..	92.0	..	95.6	94.1
September	91.1	..	98.7	..	88.4	..	91.4	..	95.6	93.1
October ..	91.1	..	98.3	..	88.4	..	91.4	..	95.6	91.1
November	91.7	..	98.3	..	89.2	..	91.7	..	94.4	91.1
December	92.0	..	98.7	..	89.5	..	92.3	..	93.3	91.1
Average	93.4	..	98.85	..	91.4	..	93.7	..	96.8	94.6

NOTE.—The composite index has been constructed from the combined weightings of the Federation and Singapore indexes for Europeans and non-European clerical classes.

PRICE INDICES FOR FOOD, CLOTHING, HOUSEHOLD REQUISITES AND TRANSPORT—(cont.)
MONTHLY INDEX NUMBERS FOR 1948—(cont.)

Base: 1939 = 100—(cont.)

No.	Group.	No. of items in each group.	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.	Average for the year 1948.
Transport.															
15	Petrol and Oil ..	2	176	176	181	181	181	181	181	176	176	176	177	179	178
16(a)	Car Tyres and Tubes..	9	121	121	109	109	109	109	109	109	109	109	109	109	112
(b)	Bicycle Tyres and Tubes ..	2	258	258	258	258	258	258	258	258	258	248	248	248	256
Drinks and Tobacco.															
17	Spirits and Beer ..	4	307	305	305	305	305	305	305	305	305	305	311	311	306
18(a)	Cigarettes ..	3	244	244	244	244	244	244	244	268	268	268	268	268	254
(b)	Tobacco ..	7	217	217	217	217	217	217	217	236	236	236	236	236	225
19	Toilet Requisites ..	7	198	198	198	198	198	198	201	200	200	203	203	203	200
20	Household Linen and Bedding ..	8	363	363	363	363	363	363	363	363	363	363	386	397	368
Clothing.															
21(a)	Women's ..	10	300	300	300	300	300	300	300	300	300	300	297	297	300
(b)	Children's ..	6	316	316	316	316	316	316	316	316	316	316	316	338	318
(c) i	Men's ..	8	304	292	292	294	288	277	280	279	281	279	279	277	285
ii	Sarong and Baju ..	2	361	329	329	312	290	290	290	287	287	287	287	287	306
(d) i	Men's Materials ..	3	402	404	412	424	417	416	410	406	406	405	407	410	410
ii	Women's Materials ..	5	371	371	371	371	371	371	371	371	371	381	381	381	374

NOTES.—1. Indices for food are calculated from market price lists for 13 centres.
2. Rationed rice and sugar prices are controlled.
3. Indices for men's clothing groups are calculated from returns received from stores and shops throughout the Federation.
4. All other indices are based on Kuala Lumpur prices.

CO-OPERATIVE SOCIETIES.

In November, 1947, societies which had had no transactions during the Japanese occupation were released from the restrictions of the Moratorium. This enabled them to resume normal working and to collect pre-war debts during 1948. Societies which continued to function during the occupation are not yet free from restrictions.

The Debtor and Creditor Ordinance was passed in December, 1948, but it has not yet been put into effect. This Ordinance is designed to regulate the relationship between debtors and creditors in respect of debts incurred prior to and during the period of the enemy occupation. When it is in operation and the Moratorium lifted the problems left from the war years will be finally settled. Certain transactions with the Post Office Savings Bank are of particular importance and the delay in reaching a decision on their treatment has caused a measure of discontent in societies where the members are not sufficiently informed to appreciate the difficulties.

Considerable progress was made in the audit of societies. The accounts of all societies which were functioning pre-war have been reconstituted and the staff is making good progress in bringing post-war audits up to date. Fees to the value of \$2,218.33 were collected in 1948 and credited to revenue. Some of the larger societies were audited by auditors approved by the Registrar and paid fees direct to them. Government's policy is to encourage such procedure when societies are sufficiently advanced.

Rural Credit Societies.

At the end of 1948 there were 139 societies with a membership of 4,651, a paid-up share capital of \$152,952 and reserve funds amounting to \$33,674. This shows an increase of three societies over the record figure for 1947.

The development of these societies during the year has been disappointing. The Emergency created by the terrorist insurrection caused many of the younger members of the rural population to join the Security Forces. Normal village life has been disrupted. Shortage of trained staff was, however, the main reason. Attention had to be given to the supervision and improvement of existing societies rather than to the foundation of new societies. The committees of rural societies need continual instruction and few have sufficient confidence in themselves to carry on without the aid of expert assistance.

Fishermen's Societies.

There were five societies in 1948 as against four in 1947. Loans amounting to \$1,489 were granted for various purposes connected with fishing. The total membership was 252. The greatest difficulty in these societies is marketing of the catch. Unless this can be overcome the fishermen must to some extent remain in the hands of the middleman. The Department of Fisheries is studying this problem.

Season Co-operative Credit Societies.

These societies are composed of padi planters and their purpose is to finance the planting of the annual crop and to maintain the planters until the harvest. All loans are, therefore, short-term

loans and are repayable with interest at the harvest. At the end of the year there were 74 registered societies of this type with a membership of 1,781, a paid-up share capital of \$26,492 and reserve funds amounting to \$698. Loans to the value of \$18,337 were granted to members. These societies are mostly to be found in the rice growing areas of Krian (Perak) and Kedah. It is expected that development will take place in Perlis and the Tanjong Karang area of Selangor.

Labourers' Co-operative Credit Societies.

There were 384 societies on the register in 1948 as against 391 in 1947. The reduction is due to the liquidation of societies which had ceased to function and their removal from the register. Membership increased from 26,002 in 1947 to 27,415 in 1948. Paid-up share capital increased from \$802,229 to \$973,962. Loans to the value of \$68,980 were granted in 1948 as against \$29,454 in 1947.

The societies are formed chiefly amongst Indian labourers working on Rubber Estates. The reason for the improvement in the finances of these societies during the year is of interest. Trades Unions on the Rubber Estates had come under the control of the Malayan Communist Party and the actions of labourers were controlled from a central organisation who enforced obedience by strong arm methods. Sympathy between employers and labourers deteriorated rapidly owing to strikes, organised agitation and intimidation. Managers of estates who were also presidents of Co-operative Societies, ceased to take their former interest in the face of continued demand for repayment of savings in the societies. These demands were usually instigated by persons who were anxious to obtain the money for their own organisations.

On the outbreak of the terrorist rising the professional agitators and intimidators became armed insurgents and took to the jungle. Relationships between employers and labourers immediately improved. Many Labourers' Co-operative Credit Societies which had been moribund revived rapidly. The outlook for these societies is good. They fulfil a most necessary purpose in affording facilities for savings for labourers against old age. They also enable members to get small loans for necessary purposes of everyday life without recourse to the moneylender.

Co-operative Thrift and Loan Societies for Salary Earners.

These societies are financially the strongest in Malaya and are destined to play a big part in the future development of Co-operation in the country. They contain many able men well acquainted with co-operative methods and alive to the benefits to be derived therefrom. There were 75 societies on the register in 1948 as against 74 in 1947. Membership had increased from 25,381 to 29,208 and capital from \$5,169,418 to \$6,007,944. Loans to the value of \$1,835,808 were granted to members.

The societies performed a very real service to their members in the period of rehabilitation which followed the war. The availability of money for loans at a reasonable rate of interest filled a need that could with difficulty have been satisfied from any other source. Most of the loans granted by these societies are for a period exceeding

one year but not exceeding two. They are repaid by monthly instalments. The rate of interest varies between one-half per cent. and one per cent. per mensem but the most usual rate is one per cent. per mensem on the unpaid principal.

Unions of Thrift and Loan Societies.

There are three Unions of Thrift and Loan Societies with a total of 25 affiliated societies. In addition to watching the interests of their members they operate as trustees of two Scholarship Funds known as the Sir George Maxwell Memorial Fund and the Cavendish Memorial Scholarship Fund. The scholarships awarded from these Funds are for children of members and are mostly held at English Schools in Malaya.

Central Finance.

In Malaya there are no Co-operative Central Banks or Co-operative Banking Unions, as understood in other countries. The only approximation to a Banking Union is to be found where there are separate co-operative societies for labourers on divisions of a large estate or company. In seven areas Banking and Investment Unions of societies have been formed in this way. These Unions invest the surplus funds of the constituent societies but grant no loans.

General Purposes Societies.

These societies are primarily thrift societies in which members can deposit small savings withdrawable when the necessary occasion arises. There were 147 societies of this type on the register in 1948 with a membership of 20,217 as against 139 in 1947 with a membership of 23,762. The decline in membership is due to a policy of purging the societies of inactive members who had ceased to use the facilities for saving provided by the societies. These societies were particularly active when goods were scarce. They were assisted by officers of the Co-operative Department to make bulk purchases of articles difficult to obtain and as a result membership increased. When goods became more plentiful interest in the society declined.

These societies should not be judged solely by their financial transactions. In them members learn their first lesson in thrift and their first experience of joint action on co-operative lines. Through them advice on agricultural, medical, veterinary and nutritional problems can be easily disseminated.

General Purposes Societies must be watched, however, to insure that they do not become "redundant". At the right moment they should be developed into more advanced forms of co-operative organisation.

Consumers Co-operation.

Urban—Consumers Co-operation has not yet played an important part in Malaya. Before the war only two Co-operative Stores were on the register. There are now eight stores in urban areas. The total number of members is 6,313 and the paid-up share capital \$100,675. In spite of great difficulties and many discouragements leading co-operators realised the benefits of consumers stores and persisted in their efforts.



A Malay Girl Pupil in the Derma English School, Perlis.

Irrigation Headworks,
Kubang Pasu, Kedah.



It was apparent that the greatest impediment to progress was the lack of a source of wholesale supply. Everything had to be bought in small quantities in the open market. At the Annual Co-operative Conference in 1948 it was resolved that the possibilities of a wholesale supply should be investigated. At the end of the year a decision to form a Wholesale Society was made and it is hoped that a start will be made in 1949. Once a source of supply has been established it is hoped that the number of societies will increase considerably, as they are of value in reducing the cost of living.

The establishment of marketing societies presents the usual difficulties encountered in introducing a peasant community to semi-commercial enterprises and to commercial procedures to which such a community is unfamiliar. Progress has however been made. A Marketing Officer is employed but the absence of business ability amongst Malay peasants makes rapid development and expansion impossible.

Rubber Marketing Societies.

There were two Rubber Marketing Societies on the register at the time of the liberation. One society had lost all interest following the death of its Chairman. It is now in process of liquidation. The other society at Bukit Ijok is an outstanding example of the great improvement that can be effected in village economy by co-operative methods. The society has a membership of over 100 small holders. The quality of rubber turned out is good and is sold to a well-known firm of dealers. Satisfactory prices have been obtained throughout the year. Although this society has been used as a model to encourage the growth of others the general attitude of visitors has been one of admiration but complete apathy. This society has received regular assistance in the purchase of good quality acid and tools useful for its business.

Co-operative Egg Marketing Societies.

The Egg Marketing Societies in Krian were in process of liquidation. At the present price of eggs members considered that they were getting sufficient return by selling to middlemen and overlooked the fact that their income would be increased if they continued to market themselves. This is rather typical of the attitude of the Kampong people to trade. Their lack of knowledge of business methods appears to make the effort of marketing their goods repugnant to them. It is possible that new societies will be formed when economic necessity stimulates to greater effort.

Co-operative Oil Mill.

A venture on co-operative lines has been started by a group of Javanese small holders in Kachong Darat in the Kuala Langat District of Selangor, where they own coconut holdings. Membership of a General Purposes Society and a Co-operative Shop Society has developed a tendency toward co-operative action. Capital was subscribed for the purchase of a second-hand oil press and the assistance of the Co-operative Department was then sought to purchase a Diesel Engine. The engine and press were installed and the building

was erected by the members themselves. It is too early yet to estimate the prospects of this society, the members of which are enterprising and progressive.

Co-operative Purchase.

Some societies purchased textiles co-operatively on behalf of their members, while others made bulk purchases of coagulants for rubber processing. These were distributed to the members at a reasonable price. One rural society in East Pahang made a bulk purchase of changkols on behalf of its members. After allowing for freight charges the members still effected a 50 per cent. saving on their purchase.

The most spectacular bulk purchase enabled the sale to be made of 20,000 parangs of which approximately 18,000 were sold direct through Rural societies and the balance through co-operative stores and shops. It is estimated that by purchasing in bulk through their societies, members were able to save an aggregate sum of \$60,000.

New Forms of Co-operation.

At the Annual Co-operative Conference held in 1948 proposals for the formation of:

- (i) A Malayan Co-operative Wholesale Society.
- (ii) Co-operative Housing Societies.
- (iii) A Malayan Co-operative Insurance Society, were made. The Wholesale Society has already been mentioned under the heading "Consumers Societies" above. One Housing Society was registered in December, 1948.

An officer of the Co-operative Societies Department visited Great Britain during the year as a guest of the British Council, and another officer attended a course at the Co-operative College, Loughborough.

General.

Consolidation rather than development has been a feature of 1948. The formation of new societies has been delayed by lack of staff and by the abnormal conditions created by the terrorist campaign. A course of training was given to 13 probationers. They were posted to various circles at the end of the year. The shortage of staff made it necessary to curtail the period of instruction usually given to such officers.

A new Co-operative Societies Bill embracing co-operative activities throughout the Peninsula was enacted during the year. This will enable Co-operative Societies to be established in States where hitherto no provision has been made for Co-operative activities. In December, 1948, the Co-operation Board, which had existed before the war, was revived. The duty of this Board is "To advise Government in all matters relating to the organisation and development of Co-operation in the Federation of Malaya". The Board consists of officials and unofficials and sits under the chairmanship of the Director of Co-operation.

CHAPTER III.

PUBLIC FINANCE.

The Federal estimates for the year 1948 are summarised as below :

Revenue	\$197,633,219	
Recurrent Expenditure—		
1. Personal Emoluments	\$49,801,415	
2. Other Charges	89,378,813	
	<hr/>	139,180,228
Surplus		\$58,452,991
Extraordinary Expenditure		90,854,124
Allocation to States and Settlements to meet Estimated Expenditure		45,977,666
Allocation to States and Settlements to meet Unforeseen Services		454,451
	<hr/>	137,286,241
	Total Deficit ..	<hr/> \$78,833,250 <hr/>

These estimates excluded the revenue of the Malayan Railway but provision was made under expenditure to meet the deficit on the Railway budget estimated at \$25,394,341.

Estimated Federal revenue and probable revenue for the period are given below :

Head.	Estimated. \$	Probable. \$	Increase or Decrease. \$
1. CLASS I.—			
(i) Customs	131,055,200	174,993,330	+ 43,938,130
(ii) Excise	3,610,000	4,162,880	+ 552,880
(iii) Forests	52,800	68,268	+ 15,468
(iv) Licences and Internal Revenue	32,312,240	17,254,218	— 15,058,022
2. CLASS II.—			
(v) Fees of Court or Office, Payments for specific services and reimbursements-in-Aid	6,993,665	5,764,509	— 1,229,156
3. CLASS III.—			
(vi) Light, Water, Power, etc.	8,716,000	8,893,283	+ 177,283
(vii) Posts	5,210,000	5,974,459	+ 764,459
(viii) Telecommunications	6,200,000	6,699,936	+ 499,936
4. CLASS IV.—			
(ix) Rents on Government property	87,500	246,119	+ 158,619
(x) Interest	1,371,300	3,098,318	+ 1,727,018
5. CLASS V.—			
(xi) Miscellaneous	1,235,910	1,255,364	+ 19,454
(xii) Sale of Property	368,000	312,994	— 55,006
6. CLASS VI.—			
(xiii) Colonial Development and Welfare Fund	420,604	841,285	+ 420,681
Total	<hr/> 197,633,219 <hr/>	<hr/> 229,564,963 <hr/>	<hr/> + 31,931,744 <hr/>

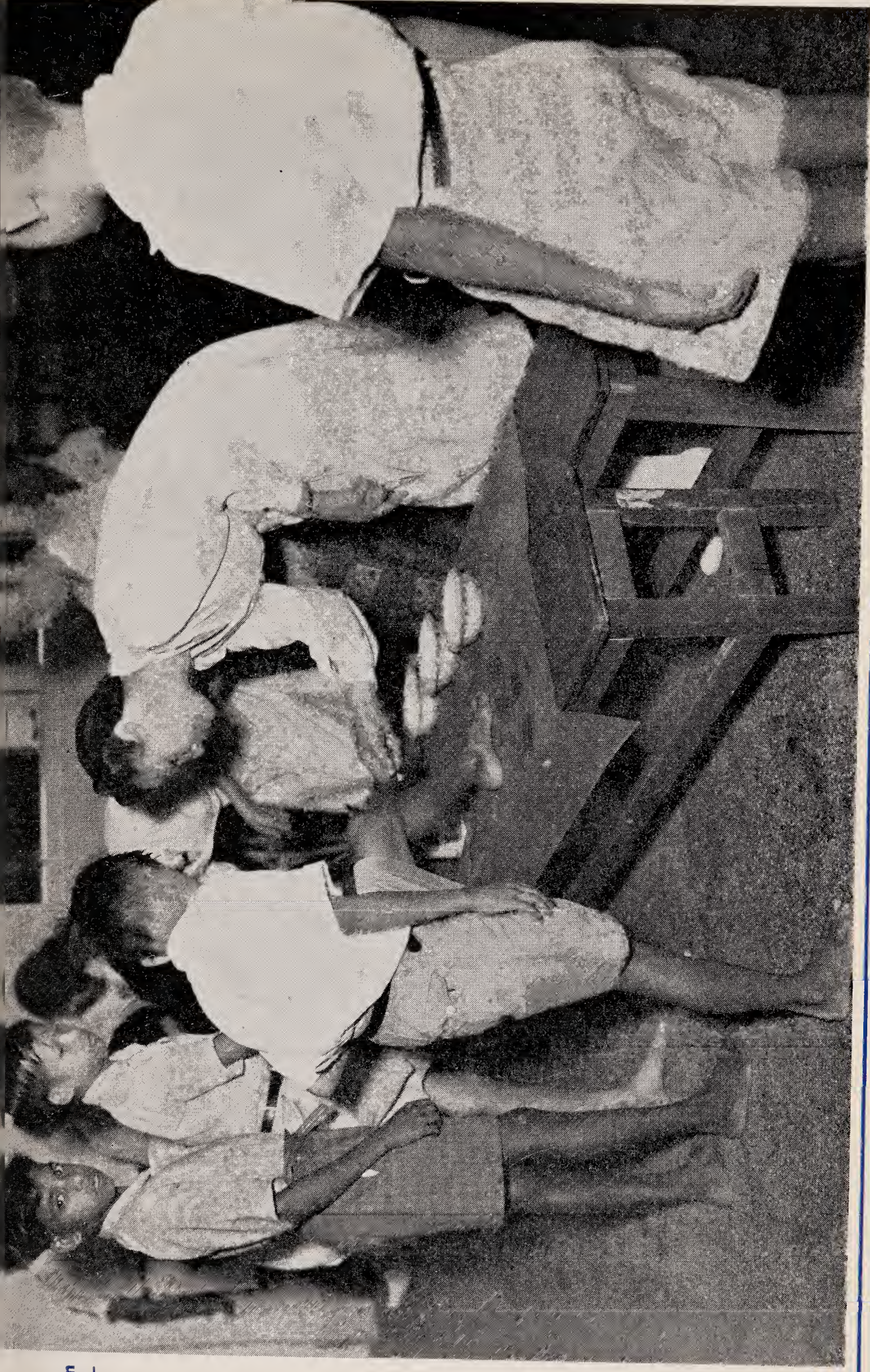
These figures show an excess of some \$31.9 million over the original estimates but this in itself does not give a true picture since the accounts for the year have not been finally closed. It is estimated that a sum of \$3 million should be added to this amount in respect of Agency receipts from July to December, 1948, the accounts of which have not been completed. The increase is principally accounted for by customs duties and the chief decrease is under Income Tax.

Federal Expenditure estimates are summarised below :

Department.	Estimated.	Probable Expenditure.	Increase or Decrease.
	\$	\$	\$
1. Charges on Account of Public Debt	12,993,926	8,762,717	— 4,231,209
2. Pensions, Retiring Allowances and Gratuities	13,673,950	13,288,637	— 385,313
3. Governor-General	349,000	19,849	— 329,151
4. High Commissioner	202,063	212,980	+ 10,917
5. Federal Secretariat	460,794	478,757	+ 17,963
6. Civil Service	848,870	749,530	— 99,340
7. Agricultural	1,730,620	1,526,335	— 204,285
8. Audit	296,043	279,210	— 16,833
9. Broadcasting	1,828,430	411,827	— 1,416,603
10. Census	183,000	170,027	— 12,973
11. Chemistry	106,441	95,882	— 10,559
12. Chinese Affairs	87,772	77,855	— 9,917
13. Civil Aviation	1,194,787	676,232	— 518,555
14. Claims Commission (War Damage)	426,552	397,976	— 28,576
15. Clerical Services	2,597,898	2,916,230	+ 318,332
16. Commissioner of Lands	9,075	3,210	— 5,865
17. Co-operative Societies	311,323	265,137	— 46,186
18. Custodian of Enemy Property	441,914	361,039	— 80,875
19. Customs and Excise	6,499,898	7,885,060	+ 1,385,162
20. Drainage and Irrigation	226,270	175,070	— 51,200
21. „ „ Annually Recurrent	70,650	60,478	— 10,172
22. Drainage and Irrigation Extraordinary ..	2,820,000	1,725,239	— 1,094,761
23. Education	7,003,294	5,570,636	— 1,432,658
24. Electricity	1,201,437	986,910	— 214,527
25. Electricity Supply, Annually Recurrent ..	7,632,282	6,156,370	— 1,475,912
26. Electricity Supply, Extraordinary	5,393,067	2,785,379	— 2,607,688
27. Estate Duty	64,095	75,566	+ 11,471
28. Exchange Control	60,763	58,057	— 2,706
29. Film Unit	306,447	216,495	— 89,952
30. Fire Services	362,662	240,762	— 121,900
31. Fisheries	571,645	171,620	— 400,025
32. Food and Price Control and Supplies ..	8,772,480	2,533,440	— 6,239,040
33. Food Production	3,642,841	2,790,801	— 852,040
34. Forests	1,548,180	450,798	— 1,097,382
35. Game	87,272	70,693	— 16,579
36. Geological Survey	158,536	135,605	— 22,931
37. Immigration	242,816	282,780	+ 39,964
38. Income Tax	321,505	249,777	— 71,728
39. Judicial	929,824	977,759	+ 47,935
40. Labour	408,204	353,518	— 54,686
41. Legal	269,482	203,037	— 66,445
42. Malayan Establishment Office	5,095,309	4,415,702	— 679,607
43. Malayan Meteorological Service	213,945	94,787	— 119,158
44. Malayan Railway	25,394,341	26,203,765	+ 809,424
45. Malayan Security Service	764,587	274,685	— 489,902
46. Marine	3,011,923	1,974,419	— 1,037,504
47. Medical and Health	7,606,119	7,440,949	— 165,170
48. Military and Defence	5,612,441	4,799,915	— 812,526
49. Mines	830,481	716,407	— 114,074
50. Miscellaneous Services	17,597,297	31,789,853	+ 14,192,556
51. Museums and Libraries	21,262	18,276	— 2,986
52. Official Assignee and Registrar of Companies	146,963	137,325	— 9,638
53. Police	18,967,100	30,965,689	+ 11,998,589
54. Postal Services	4,523,486	4,547,007	+ 23,521
55. Printing	1,615,978	1,239,964	— 376,014
56. Prisons	1,999,214	2,155,441	+ 156,227
57. Public Relations	854,716	816,652	— 38,064
58. Public Trustee and Official Administrator	46,684	46,524	— 160
59. Public Works	12,469,689	3,035,511	— 9,434,178
60. Public Works, Annually Recurrent	7,596,652	6,207,166	— 1,389,486
61. Public Works, Extraordinary	3,655,814	1,479,204	— 2,176,610
62. Purchase of Land	—	—	—
63. Road Transport	1,104,495	1,257,906	+ 153,411
64. Social Welfare	3,628,688	1,893,638	— 1,735,050
65. Statistics	34,898	13,935	— 20,963
66. Survey	2,906,027	2,590,223	— 315,804
67. Telecommunications	15,858,635	9,745,106	— 6,113,529
68. Town Planning	85,592	78,274	— 7,318
69. Trade Union Adviser	87,975	80,323	— 7,652
70. Treasury	176,356	133,761	— 42,595
71. Veterinary	1,791,577	822,641	— 968,936
Total	230,034,352	209,824,328 <i>a</i> ..	— 20,210,024

a. A sum of \$30 million should be added to this amount in respect of Agency Accounts from July to December, 1948, which have not been completed and final adjustment in respect of Loss on Foodstuffs.

Penang School Children
Receiving Medical Atten-
tion.





Malay Woman Sifting Rice.

It is not anticipated that savings will be realised from the following apparent savings shown in the foregoing schedule—

\$

1. Charges on Account of Public Debt	..	..	4,231,209
25. Electricity Supply, Annually Recurrent	..	..	1,475,912
26. Electricity Supply, Extraordinary	..	..	2,607,688
32. Food and Price Control and Supplies	..	..	2,039,040
59. Public Works Department	..	..	9,434,178
67. Telecommunications	..	..	6,113,529

when the accounts are finally closed and the sum of \$30 million has been allowed as above to meet the anticipated further expenditure on these items.

It is not at present possible to estimate accurately the final expenditure of the period under review as the accounts of the Crown Agents and other Agencies have been delayed. The latest estimates however place the total expenditure at \$239,800,000—or approximately an increase of \$9 million over the original estimates.

The anticipated chief increases and decreases under Main Heads of expenditure are as follows :

INCREASES.

Miscellaneous

Services	..	\$14.2	million due mainly to increase in cost of living allowances and payment of arrears for 1947.
Police	..	12.0	million due to expenditure on Emergency measures.
		<hr/> \$26.2	million.

DECREASES.

Broadcasting		\$1.4	million. The anticipated decrease is due generally to delay in fulfilment of indents on Crown Agents and the postponement of works and services.
Education	..	1.4	„ „ „
Food and Price Control and Supplies		4.2	„ „ „
Forests	..	1.1	„ „ „
Marine	..	1.0	„ „ „
Public Works Annually Recurrent		1.0	„ „ „
Public Works Extraordinary	..	2.0	„ „ „
Social Welfare	..	1.7	„ „ „
Others	..	3.6	„ „ „
		<hr/> \$17.4	million.

The position according to the probable revenue and expenditure given above is as follows :

Probable Revenue for 1948..	..	\$229,564,963	
Estimated Agencies Receipts	..	3,000,000	
		<hr/>	.. \$232,564,963
Probable Expenditure for 1948	..	\$209,824,328	
Estimated Agencies Payments	..	30,000,000	
		<hr/>	.. 239,824,328
			<hr/>
		DEFICIT	.. \$7,259,365
			<hr/>

The liability on account of allocations from Federal funds to meet States and Settlements expenditure which was originally estimated at \$46.4 million may have to be increased to \$79 million as the sum of \$3.4 million only has been received for credit of State and Settlement revenue as share of recoveries from the Malayan Currency Surplus Fund instead of an estimated total sum of \$36 million. It was not anticipated that the share up to 1947 would have been settled during that year hence the estimated amount was carried forward to 1948. The probable nett deficit for 1948 will therefore amount to \$86.2 million against the original estimate of \$78.8 million.

The total amount of the Federation Public Debt at the end of 1948 is summarised below :

	Date of Issue.	Maturity Dates.	Rate of Interest.	Amount of Loan.
				\$
1. Former F.M.S.	1931 .. 1959	.. 4½% .. 16,000,000
			1935 .. 1960/70	.. 3 % .. 34,285,715
			1936 .. 1956/66	.. 3 % .. 15,000,000
			1940 .. 1952/59	.. 3 % .. 20,000,000
			1941 .. 1953/60	.. 3 % .. 10,000,000
2. Federation share of former S.S.	1940 .. 1952/59	.. 3 % .. 8,500,000
			1941 .. 1953/60	.. 3 % .. 3,400,000
War Saving Certificates	..	—	.. 1950	.. — .. 2,949,627
3. Federation Liability in res- pect of former U.M.S.	..	—		
(i) S.S. Loan to Trengganu	—	..	— .. 3½% ..	1,549,600
(ii) S.S. Loan to Kelantan	—	..	— .. 2 % ..	3,089,252
(iii) S.S. Loan to Kelantan	—	..	— .. 4 % ..	34,650
				<hr/>
				114,808,844
4. Malayan Union Loan	..	1946	.. 1954/56	.. 2½% .. 12,500,000
		1946	.. 1962/66	.. 3 % .. 54,000,000
		1948	.. 3 months	
			Treasury Bills	.. ¾% .. 20,000,000
				<hr/>
				201,308,844
				<hr/>

The Sinking Fund Contributions in respect of the above loans amounted to approximately \$41.7 million on 31st December.

Income Tax.—See page 179.

PUBLIC TRUSTEE AND OFFICIAL ADMINISTRATOR.

During 1948, 121 new estates and trusts were accepted; 201 (besides 1,967 petty estates consisting of small cash assets) were wound up, leaving in hand under administration at the end of the year 365 estates and trusts, apart from 702 others of a petty nature. Business transacted during the year exceeded \$7,600,000. The value of assets in hand at the close of the year was approximately \$2,280,000 consisting of \$2,000,000 in real estate, \$5,300,000 in trustee investments, \$480,000 cash with bankers and \$500,000 in shares and other movables.

The greater part (94 per cent.) of the Department's work is still centred at Kuala Lumpur in respect of the former Federated Malay States, but modified services have been available in Penang, Malacca, Johore and, through solicitors, in Kelantan. In the latter State five District Officers hold *ex-officio* appointments for dealing with small estates.

The problems arising from the Japanese Occupation still make it necessary, in spite of a small increase in staff, to curtail the acceptance of new business. The difficulties of administration have been aggravated by the loss of documents and of proofs, intervening deaths and disappearances, transactions in occupation currency and war damage.

It is proposed to open branch offices in Penang, Ipoh, Johore and Malacca in 1949-1950 when the training of personnel is completed.

CHAPTER IV.

CURRENCY AND BANKING.

Currency.

The standard currency of the Federation of Malaya is the Malayan dollar with a value of two shillings and four pence and divided into one hundred cents. The currency is issued by a Board of Commissioners of Currency which was established under an agreement signed in 1938 by the Governments of the Straits Settlements and the Malay States. The currency of the country is on a sterling exchange standard and the Commissioners are bound to issue on demand currency notes at the rate of one dollar for two shillings and four pence of sums in sterling lodged with the Crown Agents in London and to pay on demand the sterling equivalent of Malayan currency notes lodged with them in Malaya. Under the law the Commissioners can charge commission at the rate of three-sixteenths of a penny for every dollar issued and one farthing in respect of every dollar received.

Provision is made for the establishment and maintenance of a Currency Fund in such a way that its value shall stand at one hundred and ten per cent. of the face value of the currency notes and coin in circulation. There is also provision for making each Government liable to meet any deficiency to the Fund should the assets at any time prove inadequate to meet legal demands upon the Currency Commissioners for the conversion of currency into sterling.

The Currency (Transitional Amendment) Ordinance, 1946, which came into force on 1st April, 1946, appointed the Financial Secretary of the Malayan Union and the Financial Secretary, Singapore, to be the Board of Commissioners of Currency for Malaya.

By proclamations issued on 23rd August, 1948, under the currency legislation in force in the Colony of Singapore, the Settlements of Penang and Malacca and in the States of Kedah and Perlis, and by virtue of section 6 of the Currency Enactments in force in other States, all currency notes issued by and bearing the name of the Government of the Straits Settlements and all currency notes bearing dates prior to 1st July, 1941, were declared to be no longer legal tender in the Federation after 31st August, 1948. Of these pre-invasion note issues amounting to \$238,804,963.95, notes to the value of \$225,973,556.19 had been withdrawn and destroyed by the Currency Commissioners by the end of 1948.

The average amount of currency notes in circulation in December, 1948, including notes in circulation in the Colony of Singapore, and in the Colonies of British North Borneo and Sarawak and in the State of Brunei, amounted to \$400,189,966.24. The note circulation decreased during the year under review by approximately \$12,000,000.

Foreign Exchange Control.

Foreign exchange control was inaugurated in the Malayan Union on 4th January, 1946, in conformity with the system already in force throughout the sterling area or "Scheduled Territories" as they are now known.

A feature of exchange control in this country is the system of allowing remittances by Chinese up to a limit of \$45 each per month for the maintenance of their families in China. The volume of such remittances made represents a considerable export of Malaya's resources to China without a return consideration. A recent revision of the conditions under which remittance shops are permitted to operate has been made, which provides that Remittance Shops can operate only under a permit issued by the Controller of Foreign Exchange. Such permits are only granted against a substantial deposit of securities by the Remittance Shops with the Government in order to afford protection to the remitters.

Another aspect which is of interest is the barter trade carried on between Malaya on the one hand and Sumatra, Java and the islands adjacent to Malaya on the other. This trade is known as "Chinchew" trade and is a very important one in normal times, but during the period under review, owing to the difficulties—political and otherwise in Sumatra—it has been restricted. This barter system is controlled to ensure that the trade is in approximate equilibrium.

Malayan currency may not, however, be exported to or imported from those parts of the Netherlands East Indies which come within the Netherlands East Indies Customs jurisdiction. In such case, any balance which cannot be settled by barter may be transferred through banking channels.

Banking.

During 1948 one new bank, the United Commercial Bank Limited, commenced business in the Federation at Penang. The Eastern Bank Limited, whose head office in the Federation is at Penang, opened new branches at Butterworth and Kuala Lumpur.

The following is a list of the banks operating in the Federation at the end of 1948 with the location of their branches :

Ban Hin Lee Bank Ltd.	..	Penang.
The Bank of China	.. ..	Penang, Kuala Lumpur.
The Batu Pahat Bank Ltd.	..	Batu Pahat.
The Chartered Bank of India, Australia and China	..	Alor Star, Ipoh, Klang, Kuala Lumpur, Penang, Port Swettenham, Seremban, Sitiawan, Taiping, Telok Anson.
The Eastern Bank Ltd.	..	Penang, Butterworth, Kuala Lumpur.
The Hongkong and Shanghai Banking Corporation	..	Cameron Highlands, Ipoh, Johore Bharu, Kuala Lumpur, Malacca, Muar, Penang, Sungei Patani, Telok Anson.
The Indian Bank Ltd.	..	Kuala Lumpur, Penang.
Indian Overseas Bank Ltd.	..	Ipoh, Kuala Lumpur, Malacca, Penang.
Kwong Yik (Selangor) Banking Corporation Ltd.	.. ..	Kuala Lumpur.
M. C. T. M. Banking Corpora- tion	.. ..	Kuala Lumpur.
The Malay National Banking Corporation Ltd.	.. ..	Kuala Lumpur.
The Mercantile Bank of India Ltd.	.. ..	Ipoh, Kuala Lumpur, Kota Bharu, Kuala Trengganu, Kuala Lipis, Kuantan, Penang.
Oriental Bank of Malaya Ltd.		Kuala Lumpur, Klang, Seremban.
Oversea Chinese Banking Corporation Ltd.	.. ..	Alor Star, Batu Pahat, Johore Bharu, Ipoh, Klang, Kuala Lumpur, Klang, Kota Bharu, Malacca, Muar, Penang, Seremban, Segamat, Taiping, Telok Anson.
The United Commercial Bank Ltd.	.. ..	Penang.

CHAPTER V.

COMMERCE.

At the beginning of the year a reorganisation took place in the section of the Government dealing with economic affairs. The former Department of Industry and Commerce ceased to exist and its functions were merged with those of a new Economic Branch of the Federal Secretariat under the Economic Secretary. In this way some duplication of effort was saved, a considerable economy of expenditure was achieved, while the problem of an exiguous staffing position was conveniently solved. Later in the year the duties of the Economic Adviser were also taken over by the Economic Secretary.

The main functions of the Economic Branch were :

- (a) promotion of the country's domestic and foreign commerce;
- (b) planning, policy, and development of industry, production and communications;
- (c) liaison with representatives and agents in overseas countries, which are sources of supply or markets for local industries.

Control of Imports and Exports.

The control of imports and exports has been in force throughout the year. In the case of imports, control has been necessary in order to :

- (a) allocate fairly rationed commodities and those in short supply, and
- (b) to restrict the expenditure of hard currency.

The functions of export control have been :

- (a) to safeguard supplies of goods in short supply;
- (b) to effect destination control on certain items of local produce which are subject to allocation by the International Emergency Food Council;
- (c) to enforce special regulations governing the export of certain goods. (This was also pre-war practice).

The policy of control was closely co-ordinated with that of the neighbouring territory of Singapore, and for this purpose the Joint Advisory Board on Import and Export Policy held seven meetings during the year. The recommendations of this Board were communicated by way of advice to the two Governments concerned. The executive work of Import and Export Control was the responsibility of the Comptroller of Customs, Control Officers being established in Kuala Lumpur and Penang. To ensure smooth and effective working these officers held periodic meetings with their counterpart in Singapore. It has been the policy to remove controls from any item as soon as it was no longer necessary to retain it.

Import Control.

The Prohibitions of Imports Order, 1946, remained the medium of import control. Under this order all goods imported into the Federation required an import licence signed by or on behalf of the Comptroller of Customs. The position was, however, greatly eased by the gazetting of Open General Licences to cover the import of numerous classes of goods from specific countries. Except for certain foodstuffs, manufactured goods in short supply, and nitrogenous fertilizers, by the end of 1948 the import of all goods from the United Kingdom and Sterling Dominions and British Dependent

Territories had been authorised under Open General Licence. A slightly varied Open General Licence was gazetted to cover imports from neighbouring territories including China.

Certain commodities in short supply, mostly foodstuffs, were imported on quota following allocation by the International Emergency Food Council and the Ministry of Food. The items were :

Animal feeding stuffs.	Meat.
Cereals.	Sugar.
Fats, oil and soap.	Nitrogenous fertilizers.

In the case of butter, ghee and margarine, the United Kingdom Ministry of Food had bulk buying arrangements with Australia and New Zealand, and this country obtained a sub-allocation of quota through the Colonial Office.

Iron and steel, tinplates and jute products were other items in short supply, which were imported on quota.

The year has shown a progressive change in the method of allocating quotas. Initially quotas were distributed by proportionately scaling down applications, but towards the middle of the year, importers were required to prove their 1938-40 (pre-war) and 1947 (post-war) imports of specific quota commodities with a view to dividing the Malayan quota allocations in the proportion of 85 per cent. to pre-war and 15 per cent. to post-war traders.

In the case of tinplate a different criterion was adopted. Importers were required to support their applications by written orders from consumers stating the use to which the tinplate was to be put. The quota was then allotted in proportion to orders placed by consumers.

The Federation, as a member of the sterling area, is bound to restrict her imports of commodities which are purchased for hard currency. In the case of gold dollar expenditure, imports were restricted in order to keep below an agreed ceiling figure. Because by the existing commercial organisation there were many importers with branches situated in both the Federation and Singapore, it was considered to be more realistic to allow gold dollar imports to both territories against a total ceiling and not to make any specific apportionment to each territory. In the case of commodities essential to the rehabilitation and economic life of Malaya, and which were not sufficiently obtainable from soft currency sources, licences were issued freely. Limited amounts of certain other commodities of hard currency origin were imported under quota or other restrictions. The main expenditure in hard currency was for the import of American textiles. By June importers were well stocked, and further textile imports for payment in hard currency were prohibited. Other leading hard currency imports on which import restrictions were imposed were passenger vehicles over 20 h.p. and newsprint. Limitation of imports on balance-of-payments grounds is in accordance with the Geneva Agreement—General Agreement for Tariffs and Trade—but the principle of non-discrimination as between hard-currency countries has been followed.

Export Control.

Export Control was effected by means of the Prohibition of Exports Order, and export permits were required for all items in the

Schedule to the Order. However, by the successive issue of Open General Licences for items on which control is not immediately necessary, the situation became considerably easier for exporting merchants.

Trade with Singapore in particular has been eased as far as possible and the aim has been the free movement of all goods between the Federation and the Colony. The export to Singapore of all possible commodities had been covered by Open General Licence and other items have been removed altogether from the Schedules of goods requiring licences. Such things as gunny bags and tinplate manufactures are in such short supply that restrictions on their export cannot be lifted, but licensing has been facilitated by the decentralisation of authority to local control officers.

Following international agreement nearly all the available Malayan production of palm oil, palm kernels, coconut oil and copra has been subject to allocation by the I.E.F.C. to fat deficiency territories. The United Kingdom was deficient in fats, and accordingly received an allocation for 1948 amounting to 71% of the exportable surplus of Malayan production of oils and oilseeds. In the United Kingdom these commodities were subject to control by the Ministry of Food, and this has meant that the latter Ministry has been in effect the sole United Kingdom buyer.

Bulk palm oil has been sold forward to the Ministry of Food by the local producers on a contract extending to the end of 1950. A somewhat similar sale was made in the case of palm kernels, but the contract expired on 30th June, 1948. Under I.E.F.C. allocation the majority of Malayan copra and coconut oil was, until late November, 1947, directed to the United Kingdom, and to the Ministry of Food. The effect of this destination control was to create a great disparity between the price offered in the United Kingdom by the Ministry of Food for these products and the price offered elsewhere. In order to allow the Malayan producers to benefit by the enhanced price available on the free market, His Majesty's Government agreed to forego part of the I.E.F.C. allocation; accordingly with effect from late November, 1947, coconut oil produced in Malaya could be exported to any destination on proof of an equivalent quantity exported to the United Kingdom. In May, 1948, this relaxation of control was extended to copra. This meant that only 50% of Malayan production was directed to the United Kingdom and so to the Ministry of Food. At the same time in order to assist the coconut millers and the copra entrepot trade, imports of copra from neighbouring territories could be re-exported to any destination either as copra or as coconut oil.

In September, following representations by Malayan interests, His Majesty's Government announced that it would not insist on destination control on any of the products, palm oil, palm kernels, copra and coconut oil. (The palm oil position was not much affected because of the forward contract for the bulk of the Malayan produce). From September no request for an export licence for any of the products mentioned above was refused on grounds of destination control.

Irrigation Canal,
Kubang Pasu, Kedah.





Tin Mining by Gravel
Pump.

Barter Trade.

Endeavours have been made to conduct Barter Trade in accordance with the Agreed Minute governing trade between Malaya and the Netherlands East Indies. Disturbed conditions in Sumatra rendered this task somewhat difficult but co-operation between Penang exporters and the Netherlands Consul resulted in some measure of success towards the end of the year and there are strong indications that the whole trade will in time revert to the pre-war basis of balanced imports and exports recorded in Barter Books subject to inspection by Netherlands and Malayan officials.

Trade with Japan.

Since the war, trade with Japan has been under the control of SCAP (Supreme Commander Allied Powers). In the first place external trade was very strictly controlled and was only possible on a Government-to-Government basis. It was conducted through an open account which involved the payment in gold dollars of any balances. Textiles were excluded from this arrangement and could only be purchased for a direct payment of U.S. dollars within strictly limited quantities. Later some purchases for convertible sterling were allowed, but since this method also involved an ultimate liability for U.S. dollars, no alteration was made in the policy then in force of prohibiting the purchase of textiles or other articles from Japan, except within the framework of the open account. The position reached towards the latter part of the year was that SCAP would not provide U.S. dollars to purchase sterling for this trade, and the export of Japanese goods to the sterling area would depend on the export to Japan of equivalent value. Negotiations between SCAP and the United Kingdom on behalf of the sterling area concluded with the signing of a bilateral agreement in June. The agreement aimed at maximum trade between Japan on the one hand and many of the countries in the sterling area or their dependencies on the other.

On conclusion of the agreement some import licences for Japanese goods were issued. However, it was later found necessary to cancel the majority of these pending further clarification of the terms of the agreement, especially *vis-à-vis* the proportion of sterling credits to be allocated to Malaya. A representative was sent to Japan on behalf of both the Federation and Singapore to ensure that the interests of these two territories were properly understood in Tokio.

External Trade.

The aggregate value of the external trade of the Federation of Malaya for the year 1948 was \$1,978,764,068 made up as follows :

	1948	1947
Merchandise Imports ..	\$ 854,506,625	.. \$621,095,545
Merchandise Exports and		
Re-exports	1,114,870,622	.. 834,369,308
Parcel Post Imports and		
Exports	8,926,078	.. 3,798,164
Bullion and Specie, Imports,		
Exports and Re-exports	460,743	.. 563
	<u>1,978,764,068</u>	<u>1,459,263,580</u>

The total values of the imports, exports and re-exports including Parcel Post, Bullion and Specie, for the last two years were as follows :

	Imports.		Exports and Re-exports.		Favourable Trade Balance.
	\$		\$		\$
1947	624,513,284	..	834,750,296	..	210,237,012
1948	862,095,415	..	1,116,668,653	..	254,573,238

Imports.

The declared value of Imports amounted to \$862,095,415 as against \$624,513,284 in the previous year, an increase of \$237,582,131 :

		1948.	1947.
		\$	\$
Class	I Foodstuffs, etc.	420,062,456	286,567,572
„	II Raw materials and unmanufactured goods	68,219,276	51,750,732
„	III Articles wholly or mainly manufac- tured	366,224,893	282,777,241
„	IV Parcel Post	7,404,844	3,417,176
„	V Bullion and Specie	183,946	563
		<hr/>	<hr/>
		862,095,415	624,513,284

Exports.

The declared value of Exports during 1948 amounted to \$1,116,668,653 as against \$834,750,296 in the previous year, an increase of \$281,918,357 :

		1948.	1947.
		\$	\$
Class	I Foodstuffs, etc.	54,641,772	46,944,195
„	II Raw materials and unmanufactured goods	852,857,995	634,634,313
„	III Articles wholly or mainly manufac- tured	207,370,855	152,790,800
„	IV Parcel Post	1,521,234	380,988
„	V Bullion and Specie	276,797	—
		<hr/>	<hr/>
		1,116,668,653	834,750,296

All the principal products of the Federation of Malaya are included in Class II above. The value of tin-ore and tin exported increased by over 106 millions, rubber (including latex) by over 93 millions, coconut oil by 11 millions and palm oil by 12 millions.

Foreign Trade.

The value of direct foreign imports including transhipments on “through bills of lading” was \$491,180,114 or nearly 56.97 per cent. of the import trade. An analysis showing the countries of origin is

shown below. The United Kingdom is the principal direct source of supply.

The value of direct foreign exports and re-exports was \$617,700,971 or nearly 55.31 per cent. of the total value of exports and re-exports. An analysis showing the countries of destination appears below. The declared values of exports and re-exports to the United Kingdom and U.S.A. were \$103,987,765 and \$230,955,814 respectively.

QUANTITY AND VALUE OF THE PRINCIPAL EXPORTS DURING 1948.

			1948.	1947.
Tapioca, pearl	..	Tons	13,636.18	6,567.32
		Value	\$6,877,167	\$3,592,562
Swine	..	Nos.	96,287	69,952
		Value	\$6,325,811	\$4,739,548
Pineapples canned	..	Cases	90,268	74,872
		Tons	2,324.72	1,569.20
		Value	\$2,154,702	\$1,099,187
Arecanuts	..	Tons	27,597.37	33,976.83
		Value	\$9,301,485	\$12,085,341
Copra.	..	Tons	20,406.16	9,048.30
		Value	\$10,817,004	\$2,598,840
Coconut Oil	..	Tons	28,212.62	25,448.95
		Value	\$25,211,779	\$13,596,470
Palm Oil	..	Tons	48,106.86	42,845.81
		Value	\$31,601,639	\$19,215,300
Rubber (including Latex)	..	Tons	731,878.17	711,591.38
		Value	\$680,036,690	\$586,843,107
Tin-ore	..	Tons	18,684.55	*29,176.92
		Value	\$91,402,423	\$113,771,193
Tin	..	Tons	28,393.68	—
		Value	\$129,279,373	—

IMPORTS.

Countries.			Total for 1948. \$	Total for 1947. \$
United Kingdom	..	..	134,325,771	96,865,780
<i>British.—</i>				
Eire	..	..	54,101	31,163
Other British Countries in Europe	..	..	—	10,508
Cyprus	..	..	305,794	251,036
Mauritius	..	..	21,837,033	8,108,094
Union of South Africa	..	..	964,571	603,282
Other British Countries in Africa	..	..	928,006	186,679
Canada	..	..	5,903,465	6,629,099
Other British Countries in America	..	..	234	15,486
Pakistan	..	..	17,097	—
Union of India	..	..	10,822,282	9,759,562
North Borneo	..	..	169	—
Brunei	..	..	161	—
Burma	..	..	70,727,800	20,928,864
Ceylon	..	..	1,333,542	1,088,376
Hong Kong	..	..	8,287,078	6,464,702
Palestine	..	..	849	125,087
Sarawak	..	..	21	—
Other British Countries in Asia	..	..	81,787	8,033
Australia	..	..	29,755,537	15,596,642
New Zealand	..	..	516,635	6,138
Other British Countries in Australasia	..	..	8,131	2,192,870
Tasmania	..	..	10,507	—

* Represents Tin and Tin-in-ore.

IMPORTS—(cont.)

Countries.	Total for 1948. \$	Total for 1947. \$
<i>Foreign Countries.—</i>		
Austria	322,561 ..	13,111
Belgium	7,505,620 ..	5,748,685
Czechoslovakia	876,131 ..	957,016
Denmark	1,427,197 ..	1,498,248
Finland	263,378 ..	210,203
France	1,582,162 ..	3,204,427
Germany	363,289 ..	7,565
Greece	— ..	358
Hungary	65,565 ..	2,384
Italy	2,203,059 ..	2,214,636
Luxemburg	29,496 ..	28,689
Netherlands	3,938,031 ..	4,248,071
Norway	880,822 ..	444,025
Poland	6,272,969 ..	—
Portugal	51,023 ..	165,579
Russia	16,469 ..	84,008
Spain	109,206 ..	82,651
Sweden	2,284,037 ..	767,458
Switzerland	551,924 ..	145,526
Other Countries in Europe	— ..	110
Egypt	13,862,842 ..	1,693,265
Morocco	— ..	2,295
Portuguese East Africa	1,023 ..	—
Abyssinia	11,720 ..	—
Algeria	122,509 ..	—
Tunisia	573,686 ..	18,455
Other Countries in Africa	412,763 ..	91,924
United States of America	26,699,857 ..	22,512,269
Mexico	52,695 ..	71,074
Other Countries in North America	6 ..	181
Cuba	11,634 ..	—
Argentine Republic	5,304 ..	25,838
Brazil	2,939,083 ..	5,181,070
Chili	172,799 ..	—
Other Countries in South America	3,303 ..	4,260
Arabia	20,737 ..	8,924
China	13,051,466 ..	13,797,006
French Indo-China	4,970,463 ..	—
Japan	191,312 ..	1,735,244
Formosa	1,649,810 ..	—
N.E.I.—Riouw Residency	4,778,446 ..	3,755,400
„ Borneo	— ..	10,401
„ Java	2,987,083 ..	189,316
„ Sumatra	53,832,211 ..	34,024,320
„ Other Dutch Islands	— ..	115
Iran	211,805 ..	1,146,534
Philippine Islands	3,316,847 ..	45,248
Siam	46,126,905 ..	48,269,966
Iraq	257,850 ..	80,293
Syria	191,894 ..	94,382
Other Countries in Asia	100,546 ..	—
Korea	— ..	—
Turkey	— ..	10,374
Total ..	491,180,114 ..	321,462,305

EXPORTS AND RE-EXPORTS.

Countries.	Total for 1948. \$	Total for 1947. \$
United Kingdom	103,987,765 ..	91,698,217
<i>British.—</i>		
Eire	256,464 ..	20,277
Other British Countries in Europe ..	105 ..	8
Cyprus	1,550 ..	71,304
Mauritius	6,063 ..	7,655
Union of South Africa	3,497,329 ..	1,750,574
Other British Countries in Africa ..	664,639 ..	2
Canada	27,708,770 ..	18,469,293
Other British Countries in America ..	6,662 ..	14,935
Pakistan	1,761,585 ..	—
Union of India	23,741,913 ..	15,574,974
North Borneo	5,628 ..	10,632
Brunei	1,723 ..	118
Burma	7,330,793 ..	5,821,117
Ceylon	561,031 ..	288,524
Hong Kong	7,967,694 ..	4,407,143
Palestine	1,100 ..	282,361
Sarawak.. .. .	83,436 ..	558
Other British Countries in Asia ..	53,465 ..	17,592
Australia	2,642,080 ..	7,097,375
New Zealand	2,447,090 ..	1,219,118
Other British Countries in Australasia	— ..	—
<i>Foreign Countries.—</i>		
Austria	22,132 ..	46,915
Belgium	6,893,075 ..	8,689,706
Czechoslovakia	1,989,477 ..	450,165
Denmark	4,622,313 ..	2,323,295
Finland	2,237,705 ..	1,700,078
France	24,864,993 ..	17,536,511
Germany	23,664,057 ..	8,924,074
Greece	101,117 ..	247,325
Hungary	498,423 ..	—
Italy	16,739,874 ..	13,347,043
Netherlands	8,914,796 ..	4,312,774
Norway	1,763,651 ..	2,131,699
Poland	3,132,296 ..	2,057,136
Portugal	921,004 ..	102,936
Russia	43,606,785 ..	7,004,818
Spain	1,644,210 ..	2,970,862
Sweden	7,089,977 ..	5,665,662
Switzerland	147,137 ..	32,268
Yugoslavia	414,993 ..	187,600
Roumania	414,286 ..	60,486
Other Countries in Europe	2 ..	2,940
Egypt	2,330,909 ..	257,546
Morocco	— ..	253,769
Portuguese East Africa	5,920 ..	—
Other Countries in Africa	360 ..	55
United States of America	230,955,814 ..	217,641,951
Mexico	4,070,891 ..	3,126,394
Other Countries in North America ..	6,438 ..	6
Cuba	44,322 ..	506,294
Argentine Republic	1,241,424 ..	17,933,127
Brazil	807,234 ..	—
Chile	460,861 ..	620,366
Colombia	— ..	393,439
Uruguay	— ..	606,653
Venezuela	— ..	69,813

EXPORTS AND RE-EXPORTS—(cont.)

Countries.	Total for 1948.	Total for 1947.
	\$	\$
<i>Foreign Countries—(cont.)</i>		
Other Countries in South America ..	1,122,329 ..	204,970
Arabia	52,962 ..	17,454
China	372,760 ..	1,228,520
French Indo-China	22,158 ..	—
Japan	9,560,079 ..	1,211,706
Korea	— ..	1,251,936
N.E.I.—Riouw Residency	15,093 ..	31,002
„ Borneo	75 ..	8,231
„ Java	116,901 ..	54,759
„ Sumatra	17,465,547 ..	5,296,480
„ Other Dutch Islands	4,101 ..	—
Philippine Islands	23,809 ..	—
Siam	11,341,040 ..	4,947,326
Iraq	198,087 ..	27,640
Syria	28,453 ..	12,340
Other Countries in Asia	6,000 ..	3
Turkey	5,038,216 ..	1,118,518
Total ..	617,700,971 ..	481,366,368

Customs and Excise Revenue.

The revenue collected by the Customs Department in 1948 from all sources amounted to \$182,456,031. Of this sum \$179,455,701 represented Federal revenue and \$3,000,330 represented State revenue. Revenue for the previous years was :

1946 .. \$ 78,116,397 from 1st April to 31st December only.

1947 .. 137,540,542

Hence revenue for 1948 showed an increase of \$44,915,489 or 32.66 per cent. over 1947.

The revenue under the main heads during 1948 was as follows :

Federal revenue.	1947.	1948.
	\$	\$
Export duties	44,016,217 ..	66,082,858
Additional duty on rubber	3,744,850 ..	3,890,843
Additional duty on tin	23,181 ..	39,334
Import duties	83,086,412 ..	104,978,512
Excise revenue	5,979,710 ..	4,179,301
Licences	471,408 ..	—
Other fees	107,842 ..	170,612
Rents on Government property ..	109,736 ..	104,351
Miscellaneous	1,186 ..	9,890
Total Federal Revenue ..	137,540,542 ..	179,455,701
State revenue.	1947.	1948.
	\$	\$
Toddy shops	— ..	2,520,872
Licences	— ..	479,458
Total Revenue ..	— ..	3,000,330
TOTAL REVENUE COLLECTED ..	137,540,542 ..	182,456,031

Revenue from toddy shops and licences was in 1947 credited to Federal account.

Import and Export Duties.

Increases in the Import tariff were made in respect of :

Whisky, cigarettes, manufactured tobacco, matches, rubber footwear, rubber soles and heels, cycle tyres and tubes, motor-car and motor-cycle tyres and tubes, and tea, while an Export duty of 5 per cent. *ad valorem* was applied during the year to desiccated coconut and palm kernels.

Total Export duties collected were :

Rubber	\$36,926,351
Tin	29,712,009
Palm oil	1,522,063
Palm kernel	11,228
Copra	549,947
Coconut oil	920,413
Miscellaneous	371,024
	<hr/>
	\$70,013,035
	<hr/>

An Excise duty, corresponding to the Export duty imposed in the mainland, was collected on all exports from Penang of rubber, palm oil, copra and coconut oil on which the mainland export duty had not already been paid. Import duties were collected on intoxicating liquors, tobacco and petroleum, all other imports being free of duty. The revenue derived in Penang on the items mentioned above has been included in the respective items of Revenue set forth elsewhere in this Report.

Toddy.

There were 82 Government Toddy Shops operating at the end of the year, a decrease of four shops since the end of 1947. There were no Government Toddy Shops in the States of Kelantan and Trengganu; in the latter however, three Public Toddy Shops were operated. The previous year's policy of not re-opening Estate Toddy Shops was continued during 1948. All Government and Public Toddy Shops were strictly supervised by Senior Officers of the Customs Department. Picketing of toddy shops by prohibitionists did not occur this year, consequently many shops were completely sold out of toddy by the end of the day. However, the registration of consumers and rationing of sales to consumers resulted in decreased sales in some States. Widespread illicit sales of toddy continued throughout the Federation, with the exception of certain areas in Perak where rigorous Preventive measures succeeded in producing a marked decrease in illicit sales. The task of combating illicit sales of toddy is one of the most difficult tasks facing the Customs Department.

The retail price of toddy continued at 14 cents per pint.

The gross revenue derived from the sale of toddy from Government Toddy Shops during 1948 was \$2,514,084, nett revenue \$1,591,666; and a sum of \$6,787 was collected from the Public Toddy Shops in Trengganu.

Licensed Liquor Shops.

The number of licences for the sale of intoxicating liquors in force on 31st December, 1948, was :

	1948.	1947.
Wholesale	422	410
Retail	1,075	1,035
Public House (all classes) ..	535	448
TOTAL ..	<u>2,032</u>	<u>1,893</u>

The number of licences issued increased throughout the year, but it is considered that saturation point has now been reached. The number of licences issued does not represent the number of licensed premises, as a number of premises are licensed both as wholesale and retail shops, or retail shops and public houses.

Distilleries.

A total of \$4,097,413 was collected during the year on account of Excise duty on locally-manufactured liquors.

Opium and Chandu.

The use of opium and chandu is prohibited by law.

Rationed Commodities.

Rice, wheat flour and sugar continued to be in world short supply and were subject to international allocation. The Federation of Malaya and Singapore were treated as one territory by the International Emergency Food Council for purposes of awarding allocations of these foodstuffs. Procurement of supplies against the Federation of Malaya's portion of the joint allocation was carried out by the Joint Supply Board, which was situated in Singapore. Ships were routed to Malayan ports and Singapore to ensure the proper and economic level of stocks and efficient internal distribution. Landing, storage and distribution to wholesalers was carried out by commercial agencies under agreements with the Government. The main direct imports of rice, flour and sugar came through Singapore, Penang and Port Swettenham. Direct imports through the smaller ports of Telok Anson, Port Dickson, Malacca, Kuala Trengganu and Tumpat were also arranged, although the number of vessels suitable for such trade was limited. The system of distribution operating through licensed distributors, wholesalers and retailers and linking the public to licensed retailers was continued as before.

Rationing.

Rice and sugar were rationed throughout the year, but the supply position was such that flour was de-rationed from February. All three commodities were price fixed and controlled as to supplier throughout the year.

Ration scales and controlled prices were as follows :

Commodity.	Ration scale per head.	Effective date.	Price per · katti.	Effective date.
Rice	1½ katti	1-1-48	25 cents	1-1-48
	1¾ katti	26-1-48	30 cents	2-2-48
	2 kattis	2-1-48		
	2½ kattis	31-5-48		
	Bonus ½ katti in lieu of flour	1-8-48 to 1-11-48		

Commodity.	Ration scale per head.	Effective date.	Price per katti.	Effective date.
Sugar ..	6 tahils	1-1-48	32 cents	1-1-48
	7½ tahils	3-5-48	28 cents	2-8-48
Flour ..	¾ katti	1-1-48	25 cents	Through- out 1948
	De-rationed	16-2-48		

Government Purchase of Local Padi.

The rice rationing position was alleviated by the purchase of locally-produced padi. This was undertaken by the Controller of Supplies. The harvest was exceptionally good and a considerable increase on the 1947 tonnage was effected. Control was exercised through the rice mills which were bound to deliver all rice to the Government on a basis of 63 pikuls of whole grain rice for every 100 pikuls of padi. The guaranteed minimum price of padi for the first part of the year was \$20 per pikul at mill door or \$19.20 in the field. On 1st July, 1948, these prices were lowered to \$15 per pikul at the mill door and \$14.20 in the field.

Year.	Padi purchased by Government in tons.	Extraction rate.	Equivalent rice.
1946 ..	24,020	60%	14,412
1947 ..	87,446	60.7%	53,102
1948 ..	142,605	63%	89,841

Price Control.

During the year price control was removed from the following commodities :

Cigarettes and Tobacco as from	..	1.1.48
Textiles	..	8.7.48
Milk Foods	..	23.9.48
Evaporated Milk	..	23.12.48

Rice, Sugar, Flour, Bread, Tinned Butter and Sweetened Condensed Milk are the only articles still price controlled.

Rubber.

The average price for R.S.S. Spot in Singapore was 42.40 cents a lb. There was considerable fluctuation in prices during the year from the maximum of 47.90 cents average for July to 36.53 cents in December. At the end of the year there was a disturbing drop to 34.50 cents. The average price for December was lower than the average prices for 1940 and 1941, which were 37.55 cents and 38.56 cents respectively. Moreover, this comparison, based on spot prices of No. 1 R.S.S., does not present the complete picture. During the post-war period there has been a marked decline in the price of lower grades of natural rubber. This trend may be seen in a comparison of prices of "C" quality blankets, a form in which a large proportion of the rubber produced on small holdings is finally exported. During the period 1940-1941, when the average price of No. 1 R.S.S. was 38 cents a lb., the average price difference between No. 1 R.S.S. and "C" blanket was about 3 cents a pound. From the beginning of 1947 there has been a very marked widening in this differential. In January, 1947, the average prices for No. 1 R.S.S. and "C" blankets were respectively 42.9 cents and 40.0 cents

a lb.; in January, 1948, the comparable prices were 42.26 cents and 31.35 cents a lb. and the average prices for 1948 were 42.40 cents and 30.38 cents a lb. Throughout 1948 the differential has seldom fallen below 10 cents a lb.; it reached an average maximum of 14.41 cents in August, and the average differential for the year was 12 cents a lb. The average price for "C" blanket in December, 1948, was 26.88 cents a lb., the average prices for the same grade in the years 1940 and 1941 were 34.0 cents and 35.63 cents a lb.

These prices are in sharp contrast to the price of other commodities purchased by the country. Rice, the staple foodstuff, cost in 1948 over five times as much as it did in 1941. This steep rise in prices of other commodities has caused wage rates paid by the industry to increase from a standard rate of 55 cents a day before the war to \$1.30 a day in 1948.

The importance of the rubber industry to the economy of the Federation is clearly shown by the following facts. In 1948 exports of rubber accounted for \$680 million out of total exports of \$1,116 million. Export duties on rubber yielded \$33 million in revenue, and it is estimated that indirect taxes, income tax, rents and other contributions to Government revenue paid by those engaged in the industry must have made a total public revenue of \$274 million. It is estimated that at least a third of the total working population gained their livelihood entirely or mainly from rubber. Direct exports of rubber produced in the Federation earned U.S. \$114½ million in exchange.

The industry is faced with several vital problems. There is the competition from the new synthetic rubber industry in the United States. 1948 consumption of synthetic rubber in the U.S.A. totalled 450,000 tons as compared with the mandatory minimum of 225,000 per annum. The price of GR-S synthetic rubber was 18½ U.S. cents a lb., as compared with an average New York price for first quality natural rubber of 22 U.S. cents a lb. and 17 U.S. cents a lb. for "C" quality blankets or equivalent lower grades of natural rubber. It is evident that synthetic rubber may be a successful competitor against the better grades of natural rubber at these comparative prices and furthermore, it would appear, from the large consumption of synthetic rubber, which during 1948 was almost double the mandatory minimum, that American manufacturers are developing a preference for GR-S over the lower grades of natural rubber, although the latter are selling at prices below that of synthetic.

Secondly, there is the possibility that production of natural rubber will exceed demand should conditions in Indonesia allow full production from that area to be resumed. During 1948 total world production of natural rubber at 1,520,000 tons exceeded consumption at 1,407,500 tons, and the price of natural rubber was maintained to some extent by purchases by the U.S.A. for stockpiling. On the other hand, there is little doubt that there is a considerable potential demand for natural rubber in many countries. Since 1938 annual world consumption of natural rubber has risen from 955,000 tons to 1,407,500 tons. Of this large increase 186,000 tons represents increased consumption in the U.S.A. and the balance of 266,500 tons is accounted for by increased consumption in other countries.

Lastly, there is the problem of replanting in Malaya. At present most of the trees in Malaya are over 25 years old and only about 15 per cent. are budgrafts or clonal seed. Thus the average yield per acre is low and will decline as trees get older. In order to reduce costs and to meet competition it is essential that an extensive programme of planting should be carried out to replace existing trees by approved high yielding stock. Many estates are replanting steadily, but the capital resources of the industry have been depleted by the losses of the war years and the heavy cost of rehabilitation; nor has there been any increased income from a rise in price such as has assisted most industries since the war.

Tin.

Exports of tin-in-ore from the Federation totalled 45,739 tons as compared with 26,927 in 1947 and 84,751 in 1940. The value of the 1948 exports was \$210,147,983. This tin-in-ore was all smelted by the smelters of the Straits Trading Co. Ltd. and Eastern Smelting Co. Ltd., at Singapore and Penang. Imports of tin-ore into the Federation and Singapore for smelting were 4,848 tons in 1948 as compared with 4,559 tons in 1947. Exports of tin metal from the Federation and Singapore totalled 47,214 tons in 1948 and 32,072 in 1947. Of the 1948 exports 29,497 tons were shipped direct to the U.S.A. These direct exports earned U.S. \$59½ million for the sterling area. The amount of export duty paid on tin-in-ore was \$29.4 million as compared with \$13½ million in 1947 and \$23.3 million in 1940. Exports of tin metal were controlled throughout the year by allocations made by the Combined Tin Committee in Washington. All tin exported from Malaya was purchased by the U.K. Ministry of Supply.

The price of tin, which at the beginning of the year was £500 a ton, was increased on April 7th to £504 and on 1st June, 1948, to £554 a ton ex Malaya. The Ministry of Supply's selling price was also increased from £521 to £572½ at the same time. This increase in price was obtained largely by the representations of producers in Malaya. Unfortunately the benefit of the higher price was almost immediately followed by the outbreak of the emergency, which for the remainder of the year subjected miners to the threat of attack by bandit gangs. The industry suffered a number of losses of life and property and the progress of rehabilitation has been hindered.

Apart from the menace of bandits, the industry was faced with the external problem of its future position. World consumption of tin was limited by allocations and the price was controlled. At the same time the United States pursued its policy of building up a strategic stockpile assisted by restrictions on consumption. At its meeting in April, 1948, the Tin Study Group estimated that world production of tin would exceed consumption in 1950. If this forecast is correct, the United States stockpile must necessarily have a decisive effect on the market, and producers were gravely concerned to receive adequate assurances to safeguard their position. The problems of the industry were discussed at the second meeting of the Tin Study Group at Washington in April, 1948, which was followed by a meeting of a Working Party of the Group at the Hague in June and a further meeting of the Tin Study Group at the Hague in October.

The result of these discussions was an enquiry to member Governments whether they were disposed to enter into an inter-governmental commodity agreement on tin on certain broad lines. Representatives of the Malayan industry and of the Government of the Federation attended all these meetings in an advisory capacity on the British Colonial Delegation.

On June 30th, 1948, the additional export duty of \$30 a pikul on all tin-ore not destined for smelting in the United Kingdom, Australia or Singapore was removed. This action was taken in compliance with the General Agreement on Tariffs and Trades. The duty had been in force since 1903 during which time the Malayan smelting industry established a world wide recognition for the quality of Straits tin. In the period 1935-39 Malayan smelters smelted an average of 76,900 tons annually of tin out of an average world production of tin of 167,600 tons. In 1940 Malayan smelters produced 127,000 tons out of a total world tin output of 221,000 tons. There was then no tin smelter in the U.S.A. In 1948 the output of Malayan smelters was 49,707 tons out of a total world output of 159,300 tons. Output from the United States Texas smelter in 1948 was 39,000 tons and construction of a new smelter in New Jersey is reported to have commenced in November, 1948. The removal of the additional export duty on tin-ore has made it possible for the Malayan industry to be seriously affected should smelters elsewhere be subsidized or assisted by an import duty on tin metal. There is no threat to this industry, which is of long standing and economically sited, as long as subsidies or protection duties are not imposed by other countries.

Registration of Companies.

The Companies Ordinance, No. 49 of 1940, of the Straits Settlements, was applied to the Malayan Union (now the Federation of Malaya) by the Companies Ordinance, No. 13 of 1946, which came into force on the 4th day of July, 1946. The latter Ordinance was slightly amended by the Companies (Amendment) Ordinance, No. 25 of 1946. Section 80 of the principal Ordinance was amended by the Companies (Amendment) Ordinance, No. 8 of 1948, by which a charge on land is deemed to be created from the date of registration of the Charge with the Land Office.

The Companies (Winding-Up) Rules, 1946, were brought into force on the 9th day of October, 1946. Subsidiary legislation relating to Forms, etc., under the Companies Ordinances was published in *Gazette* Notification No. 1331 of the *Government Gazette* dated the 31st January, 1948.

The Life Assurance Companies Ordinance, No. 38 of 1948, and the Fire Insurance Companies Ordinance, No. 39 of 1948, were brought into force on the 16th December, 1948. The draft Ordinance relating to Trust Companies and the position of companies formed and registered during the Japanese occupation are still under the consideration by the Attorney-General, Federation of Malaya. The Companies Ordinance, No. 49 of 1940, is based on the Companies Act, 1929, which has since been replaced by the Companies Act, 1948. Revision of the local Companies Ordinance to conform with the amendments incorporated in the new Act, is now under consideration.

One hundred and twenty-two new Local Companies, that is companies incorporated in the Federation of Malaya, were registered during 1948, and sixty-one new Foreign Companies, that is companies incorporated in Singapore or other territory outside the Federation, were registered. The number of Local Companies on the Registers on the 31st December, 1948, was 1,005. These figures include thirty-one companies not carrying on business, which were under investigation or pending War Claims, eighty-eight formed and registered during Japanese occupation and twenty-two companies which were in course of liquidation or removal from the Registers. The number of Foreign Companies on the Registers on 31st December, 1948, was 907. The figures include the following companies :

- (a) Pending registration or under investigation 26
- (b) Companies owned by Japanese 19

Registration of Businesses.

The Registration of Businesses Ordinance, 1947, came into effect on 1st April, 1947, the schedule of businesses requiring registration being confined to five types :

- (i) Money-lending businesses.
- (ii) Mining businesses employing more than twenty persons.
- (iii) Rubber estates exceeding fifty acres in extent.
- (iv) Pawn shops.
- (v) Goldsmiths and jewellers.

On 30th June, 1947, the following types of businesses were added to those in the schedule :

- (vi) Sundry goods and provisions businesses.
- (vii) Importers and exporters, commission agents.
- (viii) Saw-mills, timber and firewood merchants.

On 31st January, 1948, the following was added to those in the schedule :

- (ix) All other business.

During the first six months of the year more than half of the applications had to be returned owing to the forms being filled in incorrectly. This percentage dropped during the second half of the year to about 20 per cent. A total of 22,515 new applications for registration were received by the Registrar of Businesses during the year as against 13,313 in 1947, of which 21,697 were registered by the end of the year as against 7,279 during the previous year.

CHAPTER VI. *PRODUCTION.*

Rubber.

(i) AGRICULTURE.

The following table shows comparative acreages under rubber in the Federation since 1940. Figures for 1948 are not yet available.

Year.	RUBBER PLANTED ACREAGES.		
	Estates. Acres.	Small-holdings. Acres.	Total. Acres.
1940 ..	2,082,293 ..	1,329,791 ..	3,412,084
1946 ..	1,895,814* ..	1,319,436* ..	3,215,250*
1947 ..	1,934,106 ..	1,383,193 ..	3,317,299

* Incomplete.

Production figures for the Federation since 1940 are given below. Before the war rubber regulation was in force and in 1940 the average release for the year of the basic quota was $88\frac{3}{4}$ per cent. In 1941, 100 per cent. release was permitted, but statistics are available only for January to October of that year.

RUBBER PRODUCTION (IN TONS).

Year.	Estates.		Small-holdings.		Total.
1940 ..	331,589	..	212,726	..	544,315
1941*	307,424*	..	188,002*	..	495,426*
1946 ..	173,515	..	229,692	..	403,207
1947 ..	359,865	..	285,364	..	645,229
1948 ..	402,907	..	294,071	..	696,978

Pan-Malayan imports and exports of rubber since 1940 are given in the following table :

PAN-MALAYAN IMPORTS AND EXPORTS OF RUBBER.

(Federation and Singapore) (in Tons).

Year.	Gross exports.		Gross imports.		Net exports.
1940 ..	772,767	..	234,319	..	538,448
1941* ..	688,995*	..	222,854*	..	466,141
1946 ..	558,001	..	191,090	..	366,911
1947 ..	953,688	..	313,549	..	640,139
1948 ..	979,172	..	300,091	..	679,081

Despite the terrorist campaign which has had its effect both on estates and small-holdings, production during the year was most successfully maintained, totalling 696,978 tons as compared with 645,229 tons in 1947. This record output for 1948 was a great achievement by the industry and indicates the very great progress made in repairing the damage suffered during the war years. Most of the task of rehabilitation is now complete, but the industry has had to face a new problem in the outbreak of lawlessness which started in June, 1948. Despite numerous attacks by bandit gangs upon estates, and the continuous strain upon all engaged in the industry, production was maintained steadily throughout the year, 64,000 tons being produced in September, the second highest monthly output for the year.

The calls of the Special Constabulary and other armed forces for men have considerably reduced the labour force available for work on small-holdings while many small and medium holdings in isolated districts have perforce remained untapped.

Replanting is being undertaken on a large scale by estates, and features of this work have been the increased use of mechanical equipment for clearing the land and the interest shown in the hedge planting technique. Replanting by small-holders, on the other hand, has made little progress, the major drawback being the lack of means to provide living expenses during the period of six years when there is no crop. Land Offices have received many applications from small-holders for land for new planting but these have been held up pending the resumption of land alienation which has now commenced.

The utilisation of approved planting material is being made compulsory in connection with alienations for new planting. The Department of Agriculture, in conjunction with the Rubber Research Institute, has taken steps to meet the demand for such planting material by establishing budwood multiplication nurseries, and more recently clonal seedling nurseries, at numerous centres throughout the country. The material available in 1948 more than sufficed to meet the demand.

Improvement in the quality of sheet rubber produced by small-holders largely depends on the price factor and in many areas it scarcely pays them to smoke their sheet individually as external facilities exist for smoking at a comparatively low cost.

An interesting innovation during the year was a trial undertaken by a large group of estates of purchasing liquid latex from small-holders. The scheme was highly favoured by the small-holders concerned but numerous difficulties in collection still need to be overcome before it can be said to be a success.

Rice.

Season 1947-48—The acreage of padi planted constituted a record total of 881,304 acres, well exceeding the previous highest total of 820,480 acres planted in the 1940-41 season. The increase in acreage is attributed largely to the prevailing high price of rice, to the progress of schemes of irrigation carried out by the Drainage and Irrigation Department and to the assistance given by State Settlement Agricultural Officers and their staffs in the form of minor works of drainage and irrigation carried out from Food Production funds.

A total of 3,578 acres was planted as an off-season wet padi crop and yielded 818,000 gantangs representing an average yield of 229 gantangs per acre. The total area of wet and dry padi harvested was 844,868 acres and the total yield 217,846,000 gantangs which is equivalent to 343,065 tons of rice.

The following table gives comparative figures for acreages under wet and dry padi together with yields of rice in tons since the 1936-37 season :

Season.	WET PADI.		DRY PADI.		TOTAL.	
	Acreage.	Yield (gantangs).	Acreage.	Yield (gantangs).	Acreage.	Rice production in tons.
1936-37	..693,550	206,256,000	46,490	6,354,000	740,040	319,234
1937-38	..682,120	193,240,000	44,550	6,020,000	726,670	299,199
1938-39	..704,390	218,604,000	48,850	8,805,000	753,240	341,455
1939-40	..727,550	212,037,000	65,790	11,165,000	793,340	335,138
1940-41	..742,600	204,473,000	77,880	11,451,000	820,480	324,210
1945-46	..684,005	143,303,000	105,635	6,577,000	789,640	225,044
1946-47	..732,614	171,271,000	80,924	8,896,000	813,538	257,164
1947-48	..764,988	208,323,000	79,880	9,523,000	844,868	343,065

The following table shows Malayan rice production in relation to imports and consumption. Unfortunately, owing to the incomplete import figures for 1941, and to the reduced imports since the war, no useful comparison can be made with pre-war years when local production was approximately a third of total consumption (as estimated by the sum of local production and net imports). It must be emphasised that present total consumption is abnormally low;

imports are restricted and only a low ration of rice is possible: thus, local production would represent a much smaller percentage of potential total consumption.

MALAYAN PRODUCTION OF RICE IN RELATION TO NET IMPORTS AND CONSUMPTION 1939-1948.

	1939.	1940.	1941.	1946.	1947.	1948.
Net Imports (tons) ..	658,653	635,360	538,995	136,434	237,119	449,566
Production (tons) ..	341,455	335,138	324,210	225,044	257,164	343,065
Consumption (tons) ..	1,000,108	970,498	863,205	361,478	494,283	792,631
Percentage of production to net imports ..	52	53	60	165	108	76
Percentage of production to consumption ..	34	35	38	62	52	43

Annual Malayan net imports of rice since 1939 are given in the following table which includes broken rice, but does not include rice bran and meal and padi.

NET IMPORTS OF RICE INTO MALAYA.

(In Tons.)

Year.	White Rice.	Parboiled Rice.	Broken Rice.	Cargo Rice.	Total Rice.	
					Quantity.	Value.
						\$
1939 ..	460,145	71,209	89,091	38,208	658,653	41,700,744
1940 ..	460,328	77,445	62,825	34,762	635,360	50,896,150
1941 ..	403,599	95,806	22,833	16,758	538,996	58,206,142
1946 ..	133,396	25	3,013	1	136,433	24,530,956
1947 ..	231,095	5,921	104	1	237,119	57,401,711
1948 ..	448,017	102	1,300	146	449,565	184,073,360

General.

The price fixed by Government for the purchase of padi was reduced from \$20 to \$15 per picul on 1st July.

Since the former Short-Term Food Production Organisation was absorbed by the Department of Agriculture on 1st March, 1947, its work has been largely directed towards the increasing of rice production by improvements of drainage and irrigation as regards existing padi areas and the bringing into cultivation of new areas. The work has been carried out in close co-operation with the Drainage and Irrigation Department and it is estimated that since its inception 28,006 acres of new land have been made available for cultivation while 86,691 acres of existing padi land have been provided with improved systems of water control.

A total of \$1,014,994 was expended during 1948 on work of this nature under Food Production, sub-head—Improvements to Padi Areas.

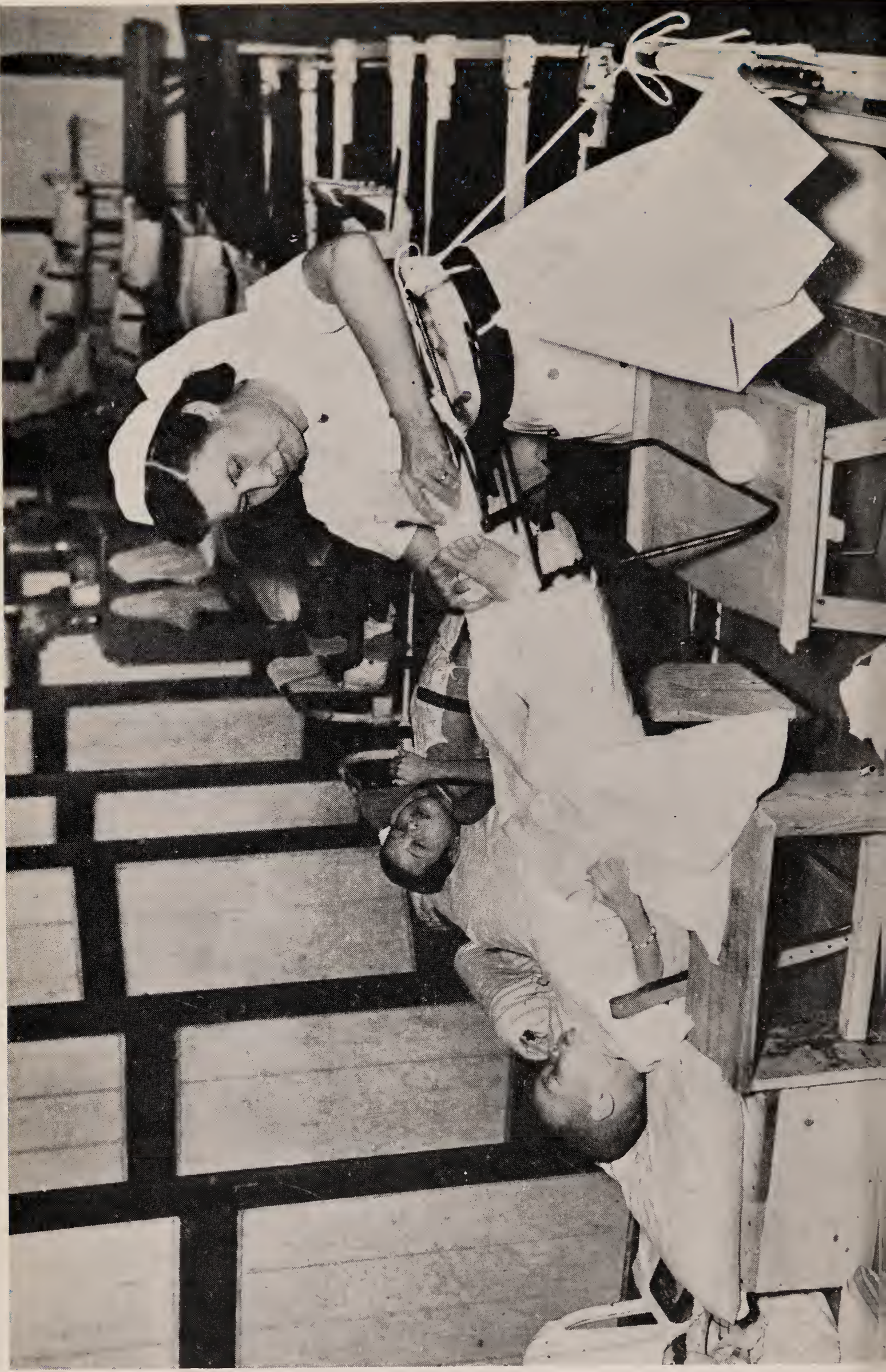
Assistance was also provided from Food Production funds to the extent of \$234,983 under sub-head—Subsidies to Padi Planters and \$142,303 under sub-head—Seeds and Manures. The former sum was devoted to the settlement of colonists in newly-opened areas and the latter to bulk purchase of seed and storage thereof against shortage of planting material in various parts of the country. In the latter connexion a total of 9,868 pikuls of seed was distributed during the year.

Oil Palm.

This is essentially an estate crop and, as in the case of coconuts, the growers are benefitting from the present high prices resulting from the world shortage of vegetable oils.

Rubber Tappers at
Work.





Children's Orthopaedic
Ward, General Hospi-
tal, Kuala Lumpur.

The following table shows the planted area under oil palm together with production of palm oil and kernels since 1939. At the end of 1948 out of a total of 48 estates, 41 estates, with a planted area of 78,904 acres, were in production.

PRODUCTION OF PALM OIL AND KERNELS AND PLANTED ACREAGES.
Production.

Year.	Planted Area.		Palm Oil.		Palm Kernels.	
	Acres.		Tons.		Tons.	
1939	..	75,825	..	57,373	..	10,172
1940	..	78,256	..	57,972	..	9,611
1946	..	77,458	..	11,756	..	932
1947	..	78,181	..	39,115	..	5,737
1948	..	83,319*	..	45,257	..	8,471

Reflecting the prospect of favourable prices for some time to come, the development of estates is continuing and the demand for land for new planting is quite considerable. In a few cases, estates have been affected by labour troubles and banditry. Mechanisation is being made use of, more particularly in connection with new planting.

Coconut.

Copra prices have shown the fluctuations which are common to this crop and varied between \$27 and \$36 per pikul in the major production areas.

Coconuts are largely a small-holders' crop with the major areas centred on the west coast. Certain of these areas deteriorated considerably during the Japanese occupation due to lack of attention as regards the drainage systems and failure to prevent the ingress of sea-water. These difficulties are now, however, in course of rectification by the Drainage and Irrigation Department.

Numerous oil mills, both large and small, exist in most of the coconut-growing areas and there is keen competition for the small-holders' produce. This to some extent helps the price both of nuts and copra, but fluctuations have occurred due to the frequent opening and closing down of the mills in addition to effects such as heavy selling by other countries and the lifting of export controls.

The inadequate premium offered for well-dried copra has continued to militate against the adoption of the improved kilns designed by the Department of Agriculture, except on a minor scale in parts of the east coast region. Coconut estates have continued their rehabilitation programme, and rising labour costs have stimulated interest in the mechanisation of cultivation, drainage construction and the eradication of *lalang* and other weed growth.

The following table shows commercial production of copra by estates and small-holdings (the latter estimated) since July, 1948, together with production of coconut oil and copra cake by oil mills for the years 1947 and 1948:

PRODUCTION OF COPRA, COCONUT OIL AND COPRA CAKE.
(In Tons.)

Year.	Copra production.				Coconut oil.	Copra cake.
	Estates.		Small-holdings.			
1947	..	—	..	—	.. 51,186	.. 40,760
1948	..	19,001†	..	45,608†	.. 51,164	.. 37,970

* Provisional. † July-December only.

Net exports of copra and coconut oil since 1939 are given in the following table. The statistics are pan-Malayan and include Singapore :

NET EXPORTS OF COPRA AND COCONUT OIL.

Year.	Copra.				Coconut Oil.			
	Tons.		Value.		Tons.		Value.	
				\$				\$
1939	34,420	..	3,321,422	..	61,360	..	7,133,925	
1940	†9,905	..	†990,568	..	69,446	..	8,291,617	
1941*	†32,682	..	†813,965	..	64,945	..	6,668,318	
1946	†34,213	..	†7,731,995	..	8,008	..	4,683,425	
1947	†45,439	..	†14,734,312	..	41,112	..	24,668,790	
1948	28,624	..	14,018,149	..	45,245	..	45,531,182	

Pineapple.

Development, on the field side, has been retarded with, since mid-year, by terrorist activities in the main producing areas. Planting this year has mostly been accomplished by the cannery interests by whom some 4,000 acres have now been planted. The area planted for canning purposes by small growers is approximately 10,000 acres.

Six canneries are operating under licence at present and all have recorded progress as regards the modernisation of their plant. Owing to the scarcity of fruit the cannery operators operate to an agreed quota system and the bulk of the 1948 production was sold to the Ministry of Food at agreed prices.

The following table shows exports of canned pineapple from Malaya since 1939 :

EXPORTS OF CANNED PINEAPPLE.

Year.	Cases.		Value.
			\$
1939	2,725,279	..	9,928,416 *
1940	1,543,492	..	8,435,768
1946	872	..	11,568
1947	86,516	..	2,430,951
1948	145,581	..	3,652,621

The report of the Committee on the rehabilitation of the industry was presented during February and several of its recommendations have already been put into effect. A provisional Working Party was constituted to deal with the day-to-day problems of the industry pending the passage of legislation and the setting up of a permanent Joint Council.

Tea.

Tea is grown both in the highlands and lowlands and mainly as an estate crop. Much of the crop is sold locally, both the black tea manufactured by estates and the green tea produced by the small-holder. Wholesale prices for black tea varied from \$1 to \$1.20 per lb. while the green tea price varied from \$80 to \$140 per pikul.

* January to October, 1941. † Net Imports. ‡ Net Export value (The figures in this table are pan-Malayan and include Singapore imports and exports).

The following table gives particulars of the number of tea estates, planted acreage and reserve land. Statistics for 1948 are provisional:

TEA-PLANTED AREA AND RESERVE LAND.

Year.	No. of estates.		Planted area.		Area in production.		Area of Reserved land.	
			Acres.		Acres.		Acres.	
1940	..	*	..	8,898	..	*	..	8,275
1946	..	52	..	8,697	..	3,697	..	6,448†
1947	..	57	..	9,732	..	3,627	..	9,122
1948‡	..	55	..	9,574	..	4,966	..	7,222

Particulars of production, exports and local sales of tea are given in the following table:

PRODUCTION OF MADE TEA, EXPORTS AND LOCAL SALES.

(As reported by Estates.)

Year.	Production.		Exports.		Sold locally.	
	lbs.		lbs.		lbs.	
1940	..	1,573,854	..	662,863	..	838,876
1941	..	1,608,173	..	454,074	..	899,440
1946	..	420,532	..	—	..	405,842
1947	..	1,242,285	..	108,069	..	885,913
1948	..	2,386,511§	..	641,804	..	1,578,771

The following is an analysis of provisional 1948 statistics for highland and lowland estates:

				No. of Estates.	Planted area.	Area in production.			Reserve land.	Production made tea.		
					Acres.	Acres.			Acres.	lbs.		
Highland	..	..	36	..	5,798	..	3,171	..	4,448	..	1,203,898
Lowland	..	..	19	..	3,776	..	1,795	..	2,774	..	1,182,613
Total			..	55	..	9,574	..	4,966	..	7,222	..	2,386,511§

Foodcrops and Vegetables.

Foodcrop and vegetable production has suffered to some extent as the result of disturbed conditions from mid-year onwards but on the whole has been surprisingly well-maintained. The total acreage at the end of the year was 112,921 acres as compared with 173,268 acres at the end of 1947.

Tapioca and sweet potatoes with groundnuts and maize in lesser degree are the major foodcrops alternative to padi while bananas also are widely grown. The planted acreage in the recognised market garden areas showed no major decline although exports of vegetables from the mainland to Singapore fell from 54,648 pikuls in 1947 to 30,407 pikuls in 1948.

Since the liberation, the Department of Agriculture has rendered considerable assistance to food producers, including padi growers, in supplying tools, seed and fertilizers. A total of \$1,203,685 has been disbursed for this purpose.

* Not available. † Doubtful. ‡ Provisional. § Including 133,000 lbs. made tea equivalent of green tea sold in that form.

Arecanut.

This crop is entirely grown by small-holders and mainly exists in mixed cultivation although there are certain areas where it is planted as the sole crop. Production is in the form of split or sliced nuts, mainly the former.

Coffee.

Coffee has for years been declining as a crop owing to competition from outside sources. A few small estates still exist but the bulk of the crop is in mixed stand; quite a considerable area is interplanted with coconuts.

Derris.

Of some importance before the war, derris is now of less consequence as a crop, and planting is mainly confined to the insecticidal requirements of the market gardening community. A few estates, however, have of late, evinced some interest in this crop.

Gambier.

Formerly quite extensively grown as a catch crop with rubber, gambier has been of little importance since the war.

Fruits.

Fruit trees in mixed stand are a feature of every *kampong* and the total area planted throughout the country is very considerable. The year was an excellent one for fruit in the north-western areas but elsewhere crops were variable. The planting of orchards of individual species is on the increase. Bananas are an important crop and certain areas have tended to specialise in their production on a sole crop basis.

The development by the Department of Agriculture of clonal material of the major local fruits is being continued and there is a large demand on the part of small-holders for this type of planting material which cannot as yet be fully met.

Sago.

The chief interest has lain in the use of the leaves for the preparation of *atap* for roofing purposes. In addition, numerous small factories process the trunks for the extraction of pearl sago or sago flour but the supply of material is usually insufficient to permit of other than intermittent working.

Spices.

The main spices grown are chillies, *sireh* (betel leaf), ginger and turmeric, mostly in small areas but quite extensive in the aggregate. Prices have been firm during the year and demand steady. The nutmeg industry is now virtually extinct while the clove industry suffered severely during the occupation years and present cropping is negligible.

Tapioca.

This crop is extensively planted, both as a rice substitute and for sale to the numerous factories which exist throughout the country for manufacturing pearl tapioca or flour, the refuse finding a ready sale as pig feed.

Tobacco.

This is an important cash crop in certain areas. Prices of 1st grade cured leaf varied between \$90 and \$180 per pikul in most places although considerably higher figures were recorded in the closely settled north-east.

Cacao.

The report by Professor Cheesman on the possibilities of this crop in Malaya was published during the year and the recommendations are in process of implementation. Planting for the time being is confined to material available locally; all material from abroad must first be grown under quarantine conditions and a suitable site has been selected for such work on one of the islands off Singapore.

The available planting material is being utilised for experimental planting at Agricultural Stations and on estates; some 19 of the latter having planted or arranged to plant experimental areas on lines prescribed by the Department of Agriculture up to the end of the year.

Manila Hemp.

This crop is likewise under trial and the Department of Agriculture supplied planting material for the purpose to six estates during the year.

Crop Acreages.

The following table provides comparative figures since 1939 for acreages under all crops grown in the Federation :

COMPARATIVE ACREAGES OF ALL AGRICULTURAL CROPS.

	1939. Acres.	1940. Acres.	1946. Acres.	1947. Acres.	1948. Acres.
Rubber	3,372,966	3,412,084	3,215,250	3,317,299	*3,317,299
Oil Palm	75,825	78,256	77,458	78,181	† 83,319
Coconut	599,135	600,882	—	512,086	† 510,820
Padi (Rice)	746,720	785,450	789,640	813,538	912,559
Total	4,794,646	4,876,672	4,082,348	4,721,104	4,823,997
FOOD CROPS.—					
Tapioca	36,146	46,292	58,711	41,807	41,693
Sweet Potato	10,052	12,366	22,483	20,363	21,619
Sago	6,728	6,976	6,385	6,556	6,693
Sugar Cane	1,287	3,251	9,261	4,541	3,297
Groundnut	2,537	2,054	1,951	2,300	1,556
Maize	3,489	8,369	2,059	1,107	1,117
Yam	1,524	1,859	1,066	870	836
Colocasia	470	2,938	4,342	3,627	3,711
Ragi	—	181	1,389	451	72
Soya Bean	30	188	238	145	186
Pulses	—	—	599	487	854
Vegetable (Market-Gardens)	19,946	25,406	17,346	15,019	15,205
Total Food Crops	82,209	109,880	125,830	97,273	96,839
FRUITS.—					
Pineapple	64,555	60,157	13,813	11,920	16,082
Banana	35,107	45,728	67,995	64,075	59,950
Papaya	299	503	622	306	416
Cashew Nut	1,784	793	1,727	1,512	2,219
Specified Fruits	4,575	4,014	17,060	20,430	25,288
Mixed Fruits	67,446	73,843	70,693	82,997	85,348
Total Fruits	173,766	185,038	171,910	181,240	189,303

* 1947 figure. 1948 figure not yet available.

† Provisional.

COMPARATIVE ACREAGES OF ALL AGRICULTURAL CROPS—(cont.)

			1939. Acres.		1940. Acres.		1946. Acres.		1947. Acres.		1948. Acres.
SPICES.—											
Arecanut	..	..	63,524	..	58,619	..	51,579	..	50,983	..	50,194
Chillies	..	..	2,252	..	2,952	..	2,692	..	3,189	..	3,159
Pepper	..	..	222	..	203	..	85	..	80	..	75
Cardamom	..	..	27	..	—	..	5	..	8	..	7
Ginger	..	..	1,257	..	1,569	..	1,332	..	1,358	..	1,562
Sireh	..	..	2,716	..	2,955	..	2,317	..	2,308	..	2,418
Nutmeg	..	..	93	..	112	..	21	..	53	..	87
Cloves	..	..	386	..	398	..	281	..	289	..	288
Turmeric	..	..	9	..	687	..	1,018	..	1,085	..	1,174
Total Spices	..	..	70,486	..	67,495	..	59,330	..	59,353	..	58,964
MISCELLANEOUS.—											
Tea	..	..	7,043	..	8,898	..	8,697	..	9,732	..	*9,573
Coffee	..	..	20,589	..	16,522	..	9,839	..	8,958	..	7,047
Tobacco	..	..	5,440	..	5,857	..	3,699	..	4,266	..	1,294
Derris	..	..	6,594	..	5,481	..	1,193	..	772	..	234
Nipah	..	..	27,945	..	27,074	..	30,115	..	32,074	..	27,238
Gambier	..	..	2,925	..	4,000	..	523	..	518	..	387
Kapok	..	..	2,460	..	2,353	..	1,861	..	1,852	..	1,814
Ipecacuanha	..	..	—	..	—	..	678	..	678	..	678
Patchouli	..	..	292	..	945	..	178	..	501	..	109
Citronella	..	..	25	..	122	..	32	..	88	..	33
Gutta Percha	..	..	2,890	..	3,890	..	5,054	..	5,635	..	5,635
Other Miscellaneous	..	..	580	..	287	..	7,564	..	645	..	508
Total Miscellaneous	..	..	76,783	..	75,429	..	69,433	..	65,719	..	54,550
TOTAL ALL CROPS	..	..	5,197,890	..	5,314,514	..	4,508,851	..	5,124,689	..	5,223,653

Forestry.

Forest Reservation—The total area of reserved forest showed a net increase of 414.3 square miles, bringing the overall total for the Federation at the end of the year up to 11,264.8 square miles, representing 22.2 per cent. of the total land area. There was in addition a further 1,722 square miles of forest preliminarily notified. The increase in fully constituted reserves was mainly in Kelantan with 327.7 square miles, followed by Trengganu with 72 square miles. The largest extent of preliminarily notified reserves is in Trengganu with 522.1 square miles. Although further reservation remains to be done in Kelantan and Trengganu, the recent progress made in both States is satisfactory. In the rest of the Federation, when certain preliminarily notified areas in Pahang, Johore and Kedah become fully constituted forest reserves, the position may be considered as stabilized, although minor adjustments may become necessary.

Regeneration—No significant fruiting of trees of economic importance was reported. In fact with few exceptions there appears to have been an almost complete absence of fruit, both of inland and mangrove species. The falling off in regeneration work was due not only to the presence of bandits in the forest, but also to shortage of labour owing to large numbers of the regular labour force enlisting in the Special Constabulary. Fellings in reserves in which trees would normally be marked, were controlled by a minimum girth rule, and cleanings were continued in the relatively restricted “safe” areas. As a consequence, the total area brought under treatment was 5,164 (11,116) acres, giving a total area under treatment of 116,542 (117,845) acres. However, a further 3,036 (4,658) acres were passed during the year as being completely regenerated, bringing the total up to 32,671 acres.

* 1947 figure. 1948 figure not yet available.

In the first half of the year good progress was made with planting up some of the areas of reserves clear-felled during the occupation, a total of 1,212 (810) acres being added bringing the overall total up to 3,135 (1,965) acres. The largest area of new plantations was in Malacca with an area of 938 acres, followed by Negri Sembilan with 150 acres and Selangor 101 acres respectively. In a number of localities where extensive line planting under *belukar* was carried out, and in others where *taungya* planting had been started, it is feared that survival may be poor. On the one hand, the staff has been prevented from giving the work adequate protection and, on the other, many cultivators have been forced to abandon their holdings on account of bandit and anti-bandit activities.

Management—On account of banditry, progress was much more restricted than had been hoped. In all States much remained to be done in the revision of the pre-war intensive development scheme for inland forests. In most States complete revision and re-selection of areas is called for due to the extensive damage resulting from clear-felling and unrestricted logging, which occurred during the occupation. Some progress has however been possible in several localities. A revised draft working plan for the Malacca forests, together with a separate planting scheme covering the clear-felled areas in reserves, was submitted for consideration, and approval. In Negri Sembilan a provisional planting scheme for the next five years was prepared. In Johore, Perak and Kedah, as a preliminary step to replacing the old plan, detailed proposals for sawmill supplies were prepared, and the information so collected will assist towards the preparation of satisfactory working plans for the whole States. In Pahang preliminary work was undertaken on working plans in three reserves totalling 532,032 acres, and in Kelantan the Pulau Chondong plan was revised.

Stock mapping of all mangrove areas in Kedah was undertaken as a preliminary to the revision of the existing working plan. The prescriptions of the Matang mangrove working plan, which are due for revision in 1949, were upset by the glut of rubber firewood on the market resulting in a deficit of 2,680 acres where 23,859 acres should have been completed by the end of the year. In Selangor the prescriptions of the Klang mangrove working plan were followed. Preparations commenced at the close of the year to revise the working plan for the Negri Sembilan mangrove forests where, on account of unrestricted fellings during the war years, all mature forest had been felled leaving an unbalanced distribution of medium and young age classes. Further progress was made in Johore in reducing the area of mangrove forest under working so as to bring it more into line with the prescriptions of the pre-war working plan.

Timber Trade—The outturn of timber from all sources was 19,014,456 (16,620,315) cubic feet of round wood and 2,983,926 (3,896,926) cubic feet of sawn timber, giving an estimated total equivalent of 24,982,308 (24,414,167) cubic feet in the round (quarter girth measurement). That there should have been an increase over the 1947 output figures, despite the troubles during the second part of the year, calls for comment. It seems evident that the timber trade was back on to a healthy footing and that the immediate post-war deficiencies in equipment and transport, also

difficulties resulting from dispersed labour forces, had to a large extent been surmounted. It may be assumed that in normal circumstances the outturn for the year would have been substantially greater. Of the total outturn of timber, 53 (54) per cent. was obtained from forest reserves. As hand-sawing costs remained high, an increased proportion of the timber was mill sawn; in Perak for example this was practically 75 per cent. of the total output. Timber prices remained fairly steady, a slight rise in all classes of timber in Perak and in the south being counteracted by a fall in Selangor, Negri Sembilan and Pahang. There was an increased interest shown in timber export and there is evidence that this trade will expand when conditions become more stabilized. The outturn of poles showed a slight rise, the total for the year being 3,394,762 (3,365,126) cubic feet, the most marked increase being in Perak.

Firewood and Charcoal—There was a substantial decrease in the output of firewood, the total being 13,091,400 (16,958,806) cubic feet (solid), but the output of charcoal showed a slight increase of 4,406,335 (3,952,076) cubic feet (solid). The decrease in the demand for firewood followed the drop showing in the latter part of 1947 and can be accounted for mainly by the increasing availability of alternative fuels for commercial purposes, for which firewood had been used as a temporary substitute in the early days after the liberation of this country. Early in the year sale of firewood from the Forestry Department's depot in Kuala Lumpur was put out on contract, but control was exercised over the retail prices charged. This sale still shows a satisfactory turnover. Owing to lack of sufficient public support the depot in Ipoh was closed in March, and in December the Penang depot was taken over by a syndicate of the men who produce the firewood, namely the permit holders working in Matang mangrove reserve. There was ample evidence that these depots contributed materially toward keeping down the open market prices of firewood.

Minor Produce—The largest single item was *jelutong*, the total production of which was 8,711 (5,250) *pikuls*, realising \$133,015 (\$113,874) in revenue. The emergency affected output, but a recurrent decrease in the Singapore market price also acted as a deterrent to further development. There was a stronger demand for gutta percha, the sale of 77 (5) *pikuls* realising \$1,047 (\$143) in net revenue. Field collection virtually stopped with the onset of bandit activity. The output of *damar* showed a marked drop, the total for all grades being 3,649 (9,041) *pikuls*, the decrease being mainly attributable to a continued fall in the prices in the export markets.

Financial Results—Revenue for the year totalled \$4,348,774 (\$2,980,099) against expenditure of \$2,007,232 (\$1,673,283), giving a surplus of \$2,341,542 (\$1,306,816). The annual figures of revenue are not directly comparable, because of the fact that the all-round increase in royalty rates introduced in the latter part of 1947, were in effect for only a short period during that year, but have been in force throughout the year under review. On the other hand, the state of emergency undoubtedly had an adverse effect on production and, consequently, on revenue. Expenditure was substantially below the Estimates for the year under several headings, the most noticeable being that for silvicultural work. This was particularly unfortunate, but unavoidable in view of the conditions prevailing.



**Villagers Receive Medicines from
Medical Department Mobile Dispensary.**



Indian Trade Unionist Voting by Secret Ballot.

GAME.

The Game Department report for 1948 states that all services with the exception of the King George V National Park, have been curtailed owing to the state of Emergency. A high proportion of Officers has been seconded for special duties with the Security Forces. Six Big Game Licences, 51 Deer and Game Bird Licences, 37 Deer Licences and 681 Game Bird Licences were issued.

In addition to conservation the Department undertakes the control of animals in defence of life and property. Three hundred and fifty-four calls for assistance were received, and 14 Elephants, 9 Tigers, 3 Bears and 431 Wild Pigs were destroyed on control operations. Animals were driven away from cultivation in numerous instances. Game Reserves and Sanctuaries have been upkeep and patrolled in so far as circumstances have allowed.

The King George V National Park has so far remained little disturbed by bandits and rehabilitation of Ranger Posts has proceeded satisfactorily. Existing paths have been patrolled and 38 miles of new path opened. Salt licks and artificial feeding grounds have been inspected and upkeep. Four parties of visitors entered the Park in the early part of the year. Some interesting observations on the fauna, large and small, have been recorded and a collection of fish made for Raffles Museum, Singapore.

Animal Husbandry.

The conservation and increase of domestic livestock is an important feature of the rural economy of the country in order to meet the local demands for meat and other classes of livestock products, to raise the nutritional standards of the indigenous population, to maintain soil fertility and to assist the expanding agricultural programmes for increased rice production. The livestock population had suffered badly as a result of the Japanese occupation and measures were introduced immediately after the liberation to restore it as quickly as possible to its pre-war level. Legislation continued in force in most States and Settlements throughout the year to prevent the slaughter of potential breeding female buffaloes, oxen, sheep and goats and young male buffaloes and oxen and the fruits of this legislation are now becoming apparent in the general increase in the livestock population.

The taking of a livestock census was considerably hampered by the unsettled conditions in many parts of the country but the figures, except in the case of swine, given to the nearest hundred head in the following table may be taken as fair indications of the trends in the various livestock populations. Figures for 1947 and a reasonably typical pre-war year (1939) are given for comparison :

	1948.	1947.	1939.
Buffaloes ..	202,900 ..	189,000 ..	217,000
Oxen ..	235,900 ..	236,100 ..	287,700
Goats ..	174,400 ..	152,600 ..	300,000
Sheep ..	19,300 ..	21,800 ..	31,500
Swine ..	357,500 ..	299,600 ..	599,400
Equines ..	700 ..	1,200 ..	600

These figures indicate that the general progress is very satisfactory, particularly in the case of buffaloes which are of paramount importance for rice production in the country. There was a slight decrease in the number of oxen but as importations of slaughter cattle from abroad were limited the local demands for fresh beef had to be met from oxen. Requirements of fresh mutton were met to a large extent by importations of live sheep and, to a lesser degree, of goats from Australia; this being reflected in the increase in the local goat population.

The figures shown for pigs are almost certainly an understatement of the true position. The enumeration of these animals presents a difficulty which has been increased by the Emergency and estimates based on the known slaughter and export of swine indicate a pig population of approximately 500,000. The pig industry, in spite of continued shortages of feeding stuffs, made steady progress and the Federation was able, not only to supply its own pork requirements, but to export nearly 96,000 pigs to the Singapore markets.

It is impossible to make an accurate census of the poultry population but it is estimated at between 9 and 10 million birds.

Value of Livestock.

An approximate valuation of the total stock in the country based on current market prices is as follows :

120,100 Adult Malayan swamp buffaloes at \$250 per head	\$30,025,000
79,300 Young Malayan swamp buffaloes at \$100 per head ..	7,930,000
1,900 Adult Murrah buffaloes at \$370 per head	703,000
1,600 Young Murrah buffaloes at \$200 per head	320,000
119,800 Adult agricultural and draught oxen at \$190 per head	22,762,000
70,800 Young agricultural and draught oxen at \$90 per head	6,372,000
22,300 Adult milking cattle at \$300 per head	6,690,000
23,000 Young milking cattle at \$100 per head	2,300,000
174,400 Goats at \$25 per head	4,360,000
19,300 Sheep at \$20 per head	386,000
500,000 (estimated) Swine at \$60 per head	30,000,000
9,000,000 (estimated) Poultry	18,000,000
Total ..	\$129,848,000

The total value of the domestic livestock in the Federation of Malaya may therefore be estimated at around \$130,000,000.

The dependence of the country on indigenous stock for slaughter in 1948 is illustrated in the following table which shows that, except for sheep, most of which were imported from Australia, it was necessary for the country to rely very largely on its own resources for its meat requirements :

	Buffaloes.	Oxen.	Goats.	Sheep.	Swine.
Known slaughter * ..	14,330 ..	31,060 ..	31,631 ..	27,302 ..	455,885
Imported into the Federation of Malaya for slaughter	2,020 ..	4,593 ..	3,461 ..	27,574† ..	197
Bred in Malaya ..	12,310 ..	26,467 ..	28,170 ..	Nil ..	455,688

* These figures do not include a relatively large number slaughtered in kampongs, estates, etc., the statistics of which are not available. The dependence of the country on its own livestock is therefore even greater than is shown by this table. † Includes sheep in quarantine stations, not yet slaughtered.

In spite of the scarcity of imported animal feeding stuffs which affected mainly dairymen and pig rearers the general position regarding animal husbandry was satisfactory.

Work on the Federal Animal Husbandry Stations was continued throughout the year. Steady progress was achieved at the Kluang Station where work on pasture and fodder development, dairying and the feeding and rearing of buffaloes and cattle is conducted. Nearly 900 head of stock were being reared on the station at the close of the year. Some trouble was experienced with trypanosomiasis in the early part of the year, but the disease was controlled by the use of Antrypol supplemented by generous feeding. This Station is the first large scale enterprise of this nature ever to be started in Malaya and although many difficulties were met with in the early stages these are now being steadily overcome. Other smaller stations were maintained in Negri Sembilan, Kedah and Pahang but the two latter stations had to be closed down at the end of the year owing to shortage of staff, terrorist activities and other difficulties.

Stud bulls kept in Malacca were made good use of by local dairymen.

Livestock Diseases and Veterinary Research.

A freedom from the common cattle epizootics of the tropics was continued throughout the year and no case of rinderpest, tuberculosis, foot and mouth disease, contagious abortion or blackquarter was detected. One case of anthrax occurred at the Padang Besar Quarantine Station.

Several small outbreaks of haemorrhagic septicaemia were responsible for the death of 120 buffaloes and oxen in Kedah and Kelantan but the outbreaks were quickly suppressed by local quarantine measures and the prophylactic inoculation of nearly 5,000 in-contact animals. A small outbreak of undiagnosed disease occurred in Kelantan.

Two severe outbreaks of swine fever occurred in Perak and Johore and caused an estimated loss of not less than 6,000 pigs before the disease was brought under control. This disease is of considerable economic importance.

Rabies continued to cause much concern in the northern half of the Peninsula. The disease was most prevalent in Perak, Kedah and Perlis and in all 101 cases in dogs and two in oxen were detected. The task of eradicating rabies was greatly hampered by the Emergency which precluded the intensive shooting of stray and unmuzzled dogs in kampongs, estates and towns.

The vaccine introduced in 1947 for the prophylactic protection of poultry against Ranikhet disease which in the past has been responsible for the loss of many thousands of poultry annually gained great popularity during the year. Its efficiency in affording complete protection was so amply proved to the complete satisfaction of many previously sceptical and apathetic poultry owners that demands for the vaccine were heavy and by the end of the year nearly half a million birds in all parts of the country had been vaccinated in spite of the limitations placed on travelling by the unsettled conditions.

Work was also conducted in the control of liver fluke disease by Hexachlorethane therapy, particularly among buffaloes in Malacca and Pahang.

Arsenical poisoning was responsible for the loss of a number of cattle on estates where sodium arsenite spraying had been carried out.

The Veterinary Research laboratory was forced to continue in its temporary quarters at Tanjong Rambutan but in spite of these limitations work was progressive and devoted chiefly to the production of Ranikhet disease vaccine and investigations into swine fever control.

Three Veterinary scholarships, one for study in England and two for study in India, were awarded to locally born candidates.

Fisheries.

The year 1948 has seen the consolidation of the fishing industry following the rehabilitation effected after the liberation by 1947. The work of the Department of Fisheries has been directed towards the completion of licensing and the effective recording of the total number of fishermen. The Fishery Inspectors have been making a study of the productive capacity of each type of unit of gear and is following this up with the recording of the economic status of the fishermen, the system by which each type of fishermen obtains his remuneration and the amount he receives.

Only by an understanding of the socio-economic position of the fishermen will it be possible properly to improve their existing organisation. This study will continue for at least two years, for it is essential to follow the industry through the seasonal changes of one complete calendar year. The Department of Fisheries has also been busy in attending to the transport requirements of the fish trade in conjunction with the Road Transport Department.

A number of experiments have been carried out with success during the year, all of them directed towards economic improvements. A Fishermen's Association has been started at Kuala Selangor and the launch "Talang" was lent to the Association and the fishermen used it as a tug to make them independent of the winds and tides. They were able to increase their catches considerably. Fresh fish was transported by rail in insulated vans from Ipoh to Singapore successfully.

It has been made possible for managers of rubber estates to contract for regular supplies of fresh "ikan kembong" from the big fishery at Pangkor. In a number of places more fishermen have been persuaded to mechanise their craft. The high initial cost of diesel engines is prohibitive to many and the outboard engine, using petrol has found favour. This is unfortunate as the outboard is not an economical project in the long run.

Experiments have been made in the rearing and culture of *Tilapia mossambica* in brackish water ponds in mangrove swamps, with satisfactory results. This species of fish has not been known to exceed 8 ozs. in weight before. Under controlled conditions it has

achieved 36 ozs. This same fish has been distributed to fresh-water pond owners in various parts of the country for rearing and cultivation.

The experiments initiated during 1947 in the air transport of carp fry from China to Malaya have been extended by the trade and Government has encouraged a further experiment now in Colombo in conjunction with the Ceylon Department of Fisheries.

During the year two projects for submission to the Secretary of State for the Colonies were prepared for financial grants from the Colonial Development and Welfare Central (Research) Fund. One was for a Fresh-Water Fish Culture and Research Institute to be established on Penang Island. The object of this Institute will be to research into the cultivation of fresh-water fish as food in order to produce as many pounds of fish-protein per acre per annum as possible. The Institute will serve the whole Colonial Empire and will afford training and research facilities for Fisheries Officers from other territories.

The other is for a Regional Sea-Fisheries Research Laboratory to serve the British territories of South East Asia. The object of this Station will be to assess the potential productivity of the seas so that with the development of the fishing industry there will be a solid basis of factual advice and information for the fishermen.

A survey of the Fishing Industry in Kelantan State has been completed and a project for a Fish Marketing Syndicate has been prepared for the State Authorities to submit to Government for a financial grant from the Malayan allocation of the Colonial Development and Welfare Fund. A project for the restarting of the Fisheries School has also been prepared for a grant from the same source. These are still subject to discussion.

During the year research has been conducted on the seasonal distribution of plankton in the seas to the south of the Peninsula. This has been related to the salinity and phosphate content of the water and to the currents and weather conditions, and also to the seasonal fluctuations in the more important of the pelagic economic fishes, "ikan bilis" (*Stolephorus* and *Engraulis* Spp.), "ikan tamban" (*Dussumeria* and *Clupea* Spp.), "ikan tenggiri and ikan kembong" (*Cybus* and *Scomber* Spp.), "selar" (*Caranx* Spp.), and the small shrimp "Grango" (*Acetes* Spp.).

A close study has been conducted on the production of fresh-water fish in padi fields. This will extend over a number of years. Three new launches, "Talang" based on Port Swettenham, "Tenggiri" based on Kuala Kurau and "Terubok" based on Penang, were commissioned early in the year and have facilitated the work of Fishery Inspectors considerably, particularly in respect of the fishing stakes off the West Coast. With the delivery of instruments ordered in the United Kingdom in 1946 it has now been possible to survey all the fishing stakes off the West Coast and settle a large number of difficult ownership problems arising out of the Japanese regime. At the end of the year, a new diesel engine was installed in the M.F.V. 986 after comprehensive survey, and this 45-foot vessel is a great asset for sea-going inspection and experiment.

The total 1948 revenue from Fisheries amounted to \$88,798.70.

SUMMARY OF STATISTICS.

	1948 katties.	1947 katties.
Total weight of fish landed—Federation of Malaya	89,372,424 ..	70,240,678
Total weight of fish landed—Singapore ..	16,141,488 ..	15,945,237
Total weight of fish landed—Malaya ..	105,513,912 ..	86,185,915
Total No. of gears—Federation of Malaya ..	17,926 ..	11,880
„ boats—Federation of Malaya ..	19,692 ..	16,215
„ fishermen—Federation of Malaya	64,120 ..	44,379

(ii) MINING.

Tin Mining.

Considerable progress in the rehabilitation of the mining industry was made, notwithstanding the adverse effect of terrorism and the “Emergency” during the second half of the year.

The supply of engineering materials, coal and electrical power has improved. Financial assistance through the loans boards continued as in 1947, and during 1948 the Chief Inspector of Mines was made a member of the Industrial Rehabilitation Finance Board.

The machinery for Mines Scheme continued to be the medium through which Government made available to the industry gravel pumping equipment ordered in 1945, very little of which remained at the close of the year.

PRODUCTION OF TIN-IN-ORE IN LONG TONS. JANUARY-DECEMBER, 1948.

	Govt. aided mines.	Per cent. of total produc- tion.	Unaided mines.	Per cent. of total produc- tion.	Totals.	Per cent.
European ..	25,184..	56.2 ..	851 ..	1.9 ..	26,035..	58.1
Chinese ..	9,343..	20.8 ..	7,024 ..	15.7 ..	16,367..	36.5
Other Sources ..	— ..	— ..	— ..	— ..	2,413..	5.4
Totals ..	34,527..	77.0 ..	7,875 ..	17.6 ..	44,815..	100.0

CATEGORIES OF OPERATING TIN MINES.

At end of	Dredges.	Gravel pump mines.	Hydraulic mines.	Other mines.
1939	96 ..	538 ..	33 ..	250
1940	104 ..	733 ..	34 ..	182
1941 (Sept.) ..	103 ..	668 ..	31 ..	160
1945	Nil ..	* ..	* ..	*
1946	18 ..	102 ..	23 ..	73
1947	56 ..	323 ..	24 ..	85
1948	67 ..	464 ..	22 ..	80

* Not available.

PRODUCTION OF TIN-IN-ORE IN LONG TONS.

1939 Jan.-Dec.	..	44,627	(Influenced by Tin Restriction)
1940 Jan.-Dec.	..	80,651	
1941 Jan.-Sept.	..	60,292	
1942 Jan.-Dec.	..	15,748	} Japanese occupation.
1943 Jan.-Dec.	..	26,000	
1944 Jan.-Dec.	..	9,309	
1945 Jan.-Dec.	..	3,152	
1946 Jan.-Dec.	..	8,432	
1947 Jan.-Dec.	..	27,026	
1948 Jan.-Dec.	..	44,815	

Coal.

The only coal mines operating in the Federation of Malaya are situated at Batu Arang, Selangor. A total of approximately 11,625,000 tons of coal had been mined from this field up to the end of 1948.

A typical analysis of the coal mined is as follows :

		Per cent.		
Moisture	..	21	As received	.. 9,000 B.T.U.
Volatile Matter	..	35	On dry basis	.. 11,390 B.T.U.
Fixed Carbon	..	35	Dry-free ash basis	.. 12,850 B.T.U.
Ash	..	9		
		<u>100</u>		

The demands of consumers were met during the year, and the monthly production averaged over 31,000 tons.

Mechanisation continued, both underground and at the opencast workings. All coal won is now transported out of the opencasts by belt conveyors and coal cutters, and belt conveyors are in regular use underground.

During July an attack was made on the Collieries by a well-organised and armed band of terrorists and loss of life and damage to machinery was caused, but this had little effect on production.

The coal is non-coking and has a high moisture content. It is used by the railways, power stations and for various industrial purposes.

COAL OUTPUT FROM BATU ARANG.

Year.	Tons.		Value.
			\$
1939	..	441,025	2,431,073
1940	..	781,509	5,841,778
1941	..	687,000	5,527,000
1942	..	244,590	} Not known
1943	..	489,442	
1944	..	409,100	
1945	..	226,702	
1946	..	224,674	3,707,121
1947	..	226,301	4,176,368
1948	..	375,460	7,696,930

Gold.

Production was almost entirely from the mines of Raub Australian Gold Mines Ltd., in Pahang. A new mill capable of treating 200 tons per day has been installed and is expected to start operations early in the new year.

There was a small production from tin dredging and gravel pump operations in the Bidor area of Perak and from certain tin dredges in Selangor.

PRODUCTION OF RAW GOLD.

	Troy Ozs.	Value.
		\$
1939 Jan.-Dec. . .	40,238 ..	2,457,045
1940 Jan.-Dec. . .	35,689 ..	2,191,805
1941 Jan.-Sept. . .	24,804 ..	1,494,230
1942	1,024 ..	Not known
1943	2,213 ..	
1944	1,212 ..	
1945	287 ..	
1946	445 ..	
1947	5,312 ..	350,583
1948	10,212 ..	708,713

Bauxite.

Several mines were operated by the Japanese before the war and the ore shipped to Japan, but there has been no production since the liberation.

Increasing interest has been shown by several companies and further exploration and prospecting has been carried out during the year. It is likely that mining and export will be resumed in the not too distant future and mining will be on a scale much larger than pre-war.

Iron Ores.

Deposits on the East Coast and in Johore were mined by the Japanese on a large scale prior to the war, and the ore shipped to Japan.

Interest was shown in an ex-enemy mine at Bukit Besi, Dungun, Trengganu, and permits to inspect and sample were granted by the Custodian of Enemy Property. Exports of ore from a dump left by the Japanese were made during the latter part of the year until the monsoon.

The small production from Perak during 1948 was used as "jig ragging" on dredges.

PRODUCTION OF IRON ORE IN MALAYA.

Year.	Perak.	Johore.	Kelantan.	Trengganu.	Total Malaya.
1937 ..	1,147 ..	519,339 ..	49,223 ..	991,119 ..	1,560,828
1938 ..	923 ..	549,960 ..	159,900 ..	905,316 ..	1,616,099
1939 ..	768 ..	681,886 ..	210,930 ..	1,048,937 ..	1,942,521
1940 ..	957 ..	— ..	— ..	— ..	—
1941 ..	715 ..	— ..	— ..	— ..	—
1942 ..	116 ..	— ..	— ..	90,660 ..	90,776
1943 ..	17,643 ..	— ..	— ..	30,718 ..	48,361
1944 ..	10,441 ..	— ..	11 ..	1 ..	10,453
1945 ..	13,375 ..	— ..	— ..	— ..	13,375
1946 ..	— ..	— ..	— ..	— ..	—
1947 ..	888 ..	— ..	— ..	— ..	888
1948 ..	641 ..	— ..	— ..	— ..	641

Manganese Ores.

The only known economic deposits were mined by Japanese companies prior to the war and the ore shipped to Japan. There has been no prospecting or exploitation since the war.

Tungsten Ores.

Scheelite—A large deposit at Kramat Pulai, Perak, was developed and was worked out by 1939. The small tonnage produced during 1948 was from dump retreatment at this mine. Production for the period January to December, 1948, was 29 tons.

Wolframite—This mineral occurs in several localities and has been mined in the past in Kedah, Trengganu and Pahang. Mining for this mineral is at present on a very small scale, and production during the year amounted to 46 tons.

Ilmenite.

This mineral is the chief constituent of a residue from the process of the recovery of tin-ore known as “amang”, from which it is obtained by magnetic separation. Only selected dumps of “amang” where the ilmenite content is high are so retreated.

EXPORTS OF ILMENITE.

1939	..	..	..	11,098
1940	..	..	..	2,555
1941 Jan.-Sept.	..	..	..	44
1942-45	..	..	..	Not known
1946	..	..	..	Nil
1947	..	..	..	13,081
1948	..	..	..	13,566

Kaolin (China Clay).

This mineral is worked on a small scale, chiefly for use in local industries. The principal sources are Tapah, Perak; Cheras, Selangor; and South Johore. There are large deposits available elsewhere in the country.

GEOLOGICAL SURVEY.

Detailed geological surveys of areas near Kuala Lipis, Kuantan, Ulu Selangor and Bentong were continued and the examination of areas near Chukai, Trengganu and Jerantut, commenced. Owing to the unsettled conditions of the country field work was seriously affected during the latter half of the year. On completion of each detailed geological survey a coloured geological map on a scale of one inch to a mile together with a memoir describing the geology and mineral potentialities of the area is published by Government.

During the year a coloured geological map on a scale of 12 miles to an inch was printed and is on sale to the public. A monograph on “Malayan Lower Carboniferous Fossils” was published by the British Museum, describing fossils collected by officers of the survey.

SURVEY.

Very satisfactory progress was recorded during the first half of the year, but during the latter half, Emergency demands were made upon the Survey Department. Senior Officers were seconded to such duties as the organisation of the Special Police Force—not only at State but also at Federal levels—as State Registration Officers in connection with National Registration, Civil Liaison Corps, and for special duties with the Police and as Army Liaison Officers, etc. In addition a considerable amount of Emergency mapping was undertaken.

Undesirable elements have interfered less with normal field work than had been anticipated, but in a number of cases it has been considered prudent to transfer field parties to areas considered “safe”. In “unsafe” areas where the Emergency has required urgent field surveys, those surveys have been carried out under the protection of military escorts.

Revenue Surveys.

Although lacking the normal close supervision during the latter half of the year, progress has been very satisfactory. Twenty-five thousand six hundred and ninety-eight lots were surveyed and some 5,000 miles of linear traversing completed. The figures for the previous year were 22,155 lots and 4,295 miles.

Topographical Branch.

The ten-year programme, to complete the one inch to one mile topographical map of Malaya, continued and good progress was made, 620 square miles of unmapped territory being completed.

Map Production Branch.

Revision of all State maps was in hand during the year and one—the revised Map of Kedah and Perlis, was published. A revised Map of Malaya, six miles to one inch, was nearing completion at the year's end. The value of the year's production was \$280,911 as compared with \$157,125 for 1947. To prevent maps falling into unauthorised hands, their sale has been heavily restricted, resulting in a reduced return from public sales. The value of map sales and free issues, was \$53,710 compared with \$40,385 in 1947.

Instrument Repairing Branch.

With its new machinery installed, this Branch is in a position to undertake repairs and maintenance of all Scientific and Technical Instruments in use by Government Departments in Malaya. In addition, it has carried out considerable work for civilian firms and the Military Forces. As Custodian of Weights and Measures, the Instrument Repairer has continued to verify and certify State Standards. Value of work was \$71,372 as compared with \$46,122 in 1947.

Training of Staff.

The intake of Apprentices in July was somewhat disappointing, both from the point of view of numbers and quality. During the year, arrangements were completed by the Royal Institution of Chartered Surveyors (Land Surveyors Division), London, whereby overseas officers become eligible to join as Student members, and, on passing the Institution's examinations, to progress to Probationer, Associate & Fellow. In addition, an agreement exists with the Survey Board of Examiners of Australasia whereby that Board is prepared to accept, as candidates for its "Licence" Examination, officers of the Malayan Survey Department.

Spare time tuition is provided by Senior Officers of the Malayan Survey Department, while arrangements have been made with the Technical College, Melbourne, for correspondence courses in Surveying, the benefit of which several locally domiciled officers have availed themselves. Of 277 candidates presenting themselves for the Departmental Examinations, 65 gained full and 79 post-passes. Recruitment of qualified officers locally or from overseas has been most disappointing. Only one such officer joined the Department.

CHAPTER VII.

*SOCIAL SERVICES.**Education.*

(Section 1.)

The outstanding event in 1948 was the publication of the report of the Carr-Saunders Commission on Higher Education in Malaya. It recommended the early creation of a University of Malaya, with full degree-granting powers and with Faculties of Arts, Science and Medicine, by the amalgamation of Raffles College and the King Edward VII College of Medicine, Singapore. Further recommendations were made concerning the flow of students, entrance to the University, vocational needs, Schemes and subjects of study, Medicine and Dentistry, Training of Teachers, Extra-Mural work, staff, library, research, student life and welfare, site, constitution and administration, finance. The importance of this comprehensive document was widely acclaimed. The Legislative Council by unanimous resolution welcomed the report and approved in principle its recommendation for the creation of a University of Malaya. A Select Committee was appointed to examine the detailed proposals of the Committee for the constitution of the University, to deliberate jointly with a similar committee of the Colony of Singapore and to present its report to the Federal Legislative Council.

At the beginning of the year, discussions based on the statistics and reports of 1947 were held with a view to exploring needs for educational development on the lines of the educational policy set forth in the 1947 Annual Report. There followed a Malaya-wide survey into the existing numbers of children of school-going age, the probable future increase and distribution of these, the number of trained and untrained teachers and probable future needs. The enquiry extended to accommodation, present and required, and provided a mass of valuable material. This was undergoing examination with the object of formulating plans for presentation to Government, when circumstances required full energies to be devoted to special needs. The circumstances were :

- (a) The change of constitution on 1st February, 1948, whereby the Malayan Union became the Federation of Malaya. Under the Agreements by which the latter was constituted, the former centralised Federal executive control of education ended, and the State or Settlement Governments assumed executive authority over "Primary, Secondary and Trade School education, excluding measures designed to ensure a common policy and a common system of administration; State and Settlement Scholarships; State and Settlement endowments". The Federal Legislature has power to make laws with respect to "Primary, Secondary and Trade School education to the extent of ensuring a common policy and a common system of administration; higher education; technical education; training of teachers; registration of schools; Federal educational institutions; the Malay Translation Bureau". Before the war certain weaknesses resulted from State divergencies

from common policy, but there have recently been growing indications of a greater unity of effort and a movement away from water-tight compartments. Much still remains to be done before the essential unity of the various branches is achieved, particularly to ensure that the schools will provide a preparation for united service and for the creation of a sense of common citizenship.

- (b) The second special task of the year was the implementing of the final decision on the Report of the Public Services Salaries Commission, involving the emplacement of the various branches of the complex education service on their appropriate new salary scales and the seeking or making of decisions in special or ambiguous cases.
- (c) The Emergency which commenced in June has affected the Department of Education, as all other Government services, and a large number of officers of all grades volunteered for and men accepted special extra work with the police. The usual school inspections have continued to be carried out, however, much as usual.

The Emergency conditions create an ever-present cloud of uncertainty, while the cost of anti-terrorist measures causes Government a certain anxiety at present concerning its plans for educational extension and development, the heavy demand for more places in schools since the Japanese occupation being unable to be met in full until funds are made available to finance the new building plans of the Department.

PRIMARY EDUCATION—BOYS.

A. Malay Vernacular Education.

Malay boys of the age group 6+ to 12+, who live within reasonable distance of a Government Malay School, may be compelled to attend. Such compulsion is now very rarely required. The majority of the Malay schools are rural schools, whose first aim is to give sound and practical education to boys who will remain on the land, or who will find occupation in work which does not require a knowledge of English. The second aim is to provide a primary education in the mother-tongue as a foundation for a secondary education in English for those of the boys who succeed in passing into the English schools by competitive examination. Recently, however, these aims have been undergoing some modification and expansion in accordance with the new requirements and ambitions of a new age. In particular, during the past year teachers are being trained to teach English in the vernacular schools, an innovation designed to enable all kampong boys to learn more about the outside world, and the brighter students to make more rapid and more effective progress later in secondary and technical education. For the Malay teachers whose own literature is comparatively meagre and contains few works of high cultural or technical value—in which they are at a disadvantage compared with their Chinese and Indian colleagues—the ability to read English is the key to a whole world of useful knowledge.

Overcrowding in 1948 made afternoon sessions necessary in many schools. Although the syllabus for Standard VI was issued in 1936, the normal length of the school course has until recently been five years; but in 1948 more schools conducted a Standard VI than had attempted to do so before, and in November there were altogether 2,450 pupils in this standard—a thousand more than the 1947 figure. This development is highly desirable, since Standard VI helps to bridge the gap between school and employment and in itself raises the level of Malay education. It is to be welcomed too as a reservoir from which future teachers may be drawn and trained. Difficulties of accommodation and staffing, however, will prevent its more rapid expansion for some time to come.

In 1948 there were 1,136 Government Malay Boys' schools, 76 more than in the previous year.

The total enrolment for boys' schools shows an increase of 25,664 or about 16 per cent. over last year's total. It is now increasingly evident that the striking post-war expansion in these schools is not merely the result of the denial of schooling during the occupation years and the formation subsequently of a large temporary increase in students, but that we have here a new phenomenon, that of an awakened realisation among the Malay community of the possibilities of education, and with it a desire to grasp it with both hands. The new Constitution, too, with its promise of greater support and development for the education of the Malays, has centred attention upon the schools and aroused in parents a fuller consciousness of their responsibilities. Another important factor is the great increase in the number of children of school-going age. This increase has been estimated at 32 per cent. since the 1931 census. Thus the schools are now in nearly all areas packed to capacity. The question of accommodation during the year has been acute. A few schools have been built by Government, but very few because of the financial stringency. Extensions have been made to others. In several instances temporary schools have been erected by the people of the kampongs. In a few cases Government and parents have combined to erect these temporary structures. At some schools, where no extension of building could be effected, it has been necessary to hold two sessions daily. This is a last resort, because the afternoon hours in this climate are not suitable for close attention or study on the part of small children.

Another factor that undoubtedly tends to cause an increase in attendance is the supply in most areas of extra food to school children—milk, powdered milk, cocoa, biscuits, palm-oil, etc.—all of which have added to the attraction of the school and which have increased the health and general well-being of the children to a very noticeable extent. Physical training competitions were held and enjoyed in most districts. During the year about 30 private Malay schools are known to have opened.

Three hundred and eighty-eight thousand school text-books were supplied by Government during the year. Some 25,000 of these were new books prepared by the Translation Bureau and issued for the first time. The printing presses of China, India and England were not long after the war in reverting to a normal supply of text-books in the Chinese, Indian and English languages, but such

has not so far been the case in Malaya, where many printing plants have been destroyed or pillaged by the Japanese. Several more new text-books in Malay are now in preparation however.

School libraries increased their numbers of books but they are still without enough to make them a really useful adjunct to the school. The furniture position has improved greatly.

The growing enrolments have increased the post-war staffing problem. Dilution of trained staff by the semi-trained has already reached a danger point beyond which decreasing efficiency must result, while those who have taken the new 3-year courses will not be able to make their training felt for some time yet.

Scouting activities have progressed in all parts of Malaya.

B. Chinese Vernacular Schools.

The enrolments in Chinese schools in 1948 reached a maximum of 211,045 in March but dropped to 189,230 in November. The main cause of the drop was the Emergency, as a result of which 212 schools, including 87 night schools, closed for various reasons. From preliminary census details it appears that only 29 per cent. of all Chinese children between six and twelve attended Chinese vernacular schools in November. In addition, five per cent. attended English schools.

The total number of aided schools in 1948 was 11.6 per cent. more than in 1947, and 83 per cent. of all Chinese vernacular school attendance being in aided schools.

A Central Registry of schools and teachers is maintained, and considerable progress was made towards its completion in 1948. Over 90 per cent. of the day schools are now managed by properly constituted committees. The rest are Government schools, Mission schools or private schools. In addition there were 120 night schools with 8,730 pupils, giving a grand total of 189,230 pupils.

Grants-in-aid are awarded to schools according to the grade at which they are assessed on inspection. The rates for primary schools are Grade I—\$10 (£1.3s.4d.), Grade II—\$7 (16s. 4d.), Grade III—\$5 (11s. 8d.), per year per head of average attendance. The rates for middle schools are \$18 (£2. 2s.) and \$12 (£1. 8s.). Of the 1,244 day schools, 684 received grants-in-aid amounting to \$1,072,892 for the period 1st July, 1947, to 30th June, 1948.

With the increase in enrolment, which was 72 per cent. above the 1941 figure (but slightly under the 1947 figure), there was still lack of suitable accommodation, and as an expedient in many cases one building was used for two schools, one school meeting in the morning and the other in the afternoon. In 1948, 71 new buildings were built giving additional accommodation for over 9,000 children. Fees were generally about double the pre-war rates. The number of pupils receiving free education was about five per cent. of the enrolment. High maintenance costs made it necessary for all except the two Government schools to collect subscriptions and receive donations to balance the expenditure. Many schools now have radio sets, and increasing use is being made of the special broadcasts to schools from Radio Malaya on three mornings a week. A series of suitable lessons in physical training are now being translated into Chinese.

There was a slight increase over the number of teachers in 1947, giving a pupil teacher ratio of 35.1. This ratio is still well behind pre-war conditions. Seventy-nine per cent. of the teachers are untrained. Teachers' salaries are about two or three times the pre-war salaries. Insecurity of contract remains one of the major problems confronting the teachers.

The Chinese Education Technical Advisory Committee has done good work in revising text-books produced by three leading publishers, who have expressed willingness to co-operate; some of the texts in use in 1948 being completely revised by the Committee. The translation into Chinese of a Reader written in Malaya was begun for use in Middle schools. Text-books in English are still scarce, but new texts are known to be in production.

C. Indian Vernacular Schools.

All estates with a sufficient number of children of school-going age are required to maintain schools; in consequence, the estate schools are by far the most numerous. They are under the control of the estate managements, but are in nearly all cases, largely maintained by Government grants. The enrolments at the end of the last two years have been almost stationary due partly to the death of many Indian labourers during the war years on the Siam-Burma railway coupled with the cessation of the immigration of Indian labourers and their families to this country from the Presidency of Madras.

Another obstacle to the improvement, both in quality and in numbers, of the Indian Vernacular Schools is the reluctance of Indian labourers to send their children to schools when there is at the same time an abundance of light and well-paid employment for them on the rubber estates. This state of affairs has been still worse during 1948; and the onset of terrorism in Malaya, which has greatly aggravated the difficulties of employers on estates, has made the authorities still more hesitant to enforce unpopular enactments which might add appreciably to their difficulties. The "afternoon school for working children" has not been found, after long experience, to be an entirely satisfactory answer to this problem.

The Emergency had not greatly affected the work of most schools by the end of the year, though its continued existence would lower the standard eventually. It has, however, had its effect on enrolment.

The grand total of schools of all types was 890 as against 843 in 1947, the estate schools having increased their total by 37. Most of these schools were Tamil schools, but they also included 30 Telugu schools, 7 Malayalam schools, 10 schools with Telugu classes, 7 Punjabi schools, 3 Hindi schools, 1 Gurkha, 1 Sinhalese and 1 Gujerati schools.

The process of furnishing all Indian schools with all necessary equipment continued during 1948 and is now practically complete. During the year \$145,700 was spent on books and furniture.

In 1948 Indian teachers were emplaced on the new approved salary scales. Government has laid down the minimum rates at which teachers should be paid and has supplied the money to the estate managers in the form of a grant-in-aid, the management, however, remaining the employers, who may engage and dismiss the teachers after previous reference to Government.

Teachers' quarters have improved, and many now have quarters similar to the clerical staff.

Some school buildings remain unsatisfactory and little building of any kind has been possible in 1948. However, some new estate schools have been erected and others extended and repaired, the position being now, on the whole, better than it was before the war.

A Standard VII examination usually taken by probationary teachers and intending teachers was again centrally conducted at the end of the year. In 1948 there were 254 entrants for the examination, of whom 140 passed.

The number of teachers employed in 1948 rose from 1,152 in the previous year to 1,267, of whom 275 were trained, and 992 untrained. Of the latter, 447 were undergoing training and 248 passed their final examinations in December.

Of the total enrolment of 35,456 in November, 29,183, that is, 82 per cent. were in the first two standards.

SECONDARY EDUCATION.

For convenience this section deals only with "English" schools, i.e., schools in which the medium of instruction is the English language. The demand for English education outstrips the present capacity to supply it. In order to enable over-age but bright boys to catch up on the lost occupation years many double promotions were given after the annual examinations, and in some cases boys were promoted at the half year. The class organisation has almost everywhere been the same as last year, with Primary I forming the lowest standard in the organisation and the class studying for the Cambridge School Certificate Examination forming the highest. At the Malay College, Kuala Kangsar, however, a "Form VI" has been formed, which consists of Malay holders of Grade I Cambridge School Certificates selected from all over the Federation. These students, who number 25, pursue suitable studies preparatory to going to Raffles College or the College of Medicine, Singapore.

In some schools teaching Chinese or Tamil as part of their curriculum, pupils were grouped together in special classes or "sets", as their proficiency in those languages often bore little relation to their ordinary school "Standard" grading. This was also the arrangement at some of the schools teaching Malay.

The heavy expansion in enrolment since the liberation has caused the creation of parallel divisions of one standard in many schools, and but for the lack of accommodation this process would have gone on to an even greater extent. It creates grave staffing problems for the future.

The school fees, payable in monthly instalments, remained at \$30 (£3.10) a year for the first eight years for boys and girls and thereafter (in Standard VII and above) \$48 (£5.12).

Malay pupils passing Standard IV in the vernacular schools at an age enabling them to enter the English schools before the age of 11, are accepted as free scholars. Some, in addition, are given more valuable scholarships.

Inauguration of Whitley
Council Machinery for
Malayan Railway.



Drying Copra.



Serdang Agricultural
College Students Learn
Mechanical Cultivation.



Malayan Airways
Aircraft.



Before the war, free education to children of races other than Malay was granted in necessitous cases. A new schedule for the remission of school fees in English schools was introduced in 1946 and continued, with certain additional concessions, in 1947.

The great increase in the number of pupils receiving an English education has continued in 1948. Before the war, English education was already very popular, most urban dwellers and many of the better-paid workers in rural districts sending their children to English schools, and frequently making great financial sacrifices to accomplish it; yet even in 1941 the total number in the schools was only about 32,000 as compared with 78,820 in 1948. It is worth noting that the increase, as far as the Government and Aided schools are concerned (an increase from about 20,000 to almost 60,362) has been made with the provision of scarcely any additional accommodation. These figures will convey some idea of the very difficult conditions under which the schools are working and how cramped many of the classrooms are. The truth must be faced that only a vast building programme will meet the demand for education and that there can be little increase over present enrolments until such a programme has been undertaken. The problem of providing suitable teachers, too, is very acute and in fact a temporary lowering of standards has been forced upon the Department until such time as all the new teachers can be adequately trained.

It is significant of the special building difficulties that face the Department that no new English school buildings were brought into use in 1948. There was, however, an increase of 181 teachers over the 1947 figures. There were 2,602 girls enrolled in the boys' schools.

Chinese formed the majority of pupils in the English schools since they form the main urban population. There is also a large Indian urban population. The Malay population, however, is rural, and for this reason the Malay schools maintain their rural bias but, in order that there might be a sufficient number of Malays to fill higher posts, increasing opportunities for village boys to go to English schools were provided in 1948. Attached to many Government English Schools there are hostels for boys whose homes are in the country. It is possible for an able Malay boy to make his way by means of scholarships from his village school to an English school and thence to Raffles College or the College of Medicine; after graduation in Singapore he may be awarded a scholarship enabling him to take a course at a university in the United Kingdom.

During the year the Malay College, Kuala Kangsar, has increased its General Science teaching and has made large additions to the Library.

Great strides were made during the year in the restoration of the schools to their former position with regard to equipment. Many schools were completely refurnished, but materials for Geography Rooms, Art Rooms, etc., could scarcely be used as they were intended, since all rooms had to be used as ordinary classrooms. In some schools with hostels the dormitories had to be used as classrooms during the day-time.

Text-books and other teaching materials began to arrive in large quantities about the middle of the year and at much more reasonable prices.

Singing has found a place in many schools in 1948, although at present there is a scarcity of instructors.

Hygiene is taught in all schools and generally its effect can be seen in the neat and clean appearance of the boys of most English schools in this country.

Science Teaching in English Schools during 1948.

Further progress was made during the year in implementing the policy of the Department regarding school Science teaching, namely, that as soon as suitable accommodation, adequate equipment and qualified science teachers become available, every boy and girl in every secondary school should be given a four-year course of General Science. Few new science rooms have been built, but a number of schools have contrived to adapt existing classrooms for use as science rooms. Twelve schools were supplied with petrol-gas generators and a further 25 gas plants were ready for shipment to Malaya by the end of 1948. During 1948 there were 40 Government and Aided schools teaching science to 204 science classes comprising 6,672 pupils (as against 30 schools with 160 science classes and about 5,000 science pupils in 1947).

Most Government schools had radio sets and the lessons broadcast by the Malaya Broadcasting Department were interesting and instructive. Reception has much improved.

Several schools made use of film strips and cine-films borrowed from the Public Relations Department and from Headquarters of this Department.

During the year all classes above Standard IV were instructed to increase their weekly programme by $2\frac{1}{4}$ hours. In the larger towns school hours were staggered to suit transport arrangements and traffic problems.

In most schools with secondary classes there was a revival of the pre-war school societies. Most schools produced at least one school magazine during the year.

There were again still larger entries for the Cambridge School Certificate Examination in December, 1948.

School grounds generally were in almost pre-war condition, but some schools suffered from inadequate space for their games.

Only the Aided schools conducted by religious bodies carried out direct and organised moral instruction in scripture and chapel periods, but all schools utilised suitable periods to foster a social conscience and a sense of right and wrong. Further progress was made by schools in eradicating the false sense of values and the low standard of morals engendered during the Japanese occupation. Moral instruction is also given indirectly through the activities and general "tone" of the Scouting and Cub movements.

Junior Technical (Trade) Schools.

A complete new syllabus was drawn up and issued for these schools in 1948. There are five schools in the Federation with a total of 280 pupils under training, forming an increase of 82, or 41 per cent. over last year's figures. But the schools were filled to only

a little more than half their capacity. The schools provide a three years' course in the following trades :

- (i) Machine Shop Practice.
- (ii) Electrical Installation (at two schools).
- (iii) Motor Engineering (at four schools).
- (iv) Carpentry (at Johore only).
- (v) Bricklaying (at Johore only).
- (vi) Cabinet Making (at Kuala Lumpur only).

Most of the new plants ordered in 1946 had arrived by the end of the year, but there is still a shortage of suitable text-books.

With the co-operation of certain employers, a number of 3rd year students were found employment on probation, and allowed to continue their studies by attending schools for two days a week at some centres and Evening Classes at others.

Advisory Committees were reconstituted at various centres and their assistance and advice proved to be of great assistance.

In January, 1948, it was concluded that no further schools of this type should be opened until the existing ones were filled to their capacity, and until there were more openings in the various industries for those trained in the Trade Schools.

Government Vocational Technical Evening Classes.

These classes were conducted in the Technical College, Kuala Lumpur, by the Principal, on behalf of the Government of Selangor. A full scheme of classes was introduced in September, 1948, to meet the needs of two different groups of students as follows :

- (a) to provide advanced study for ex-full-time day students of the College ;
- (b) to provide technical education for those who have not had the opportunity or do not possess the qualifications to enter the College as full-time students.

Commercial Education.

Full-time Commercial education was continued in three Government Commercial schools, two of them having been newly opened in 1947. Two of the three schools are co-educational. The schools prepare pupils for the London Chamber of Commerce Examinations in eight subjects, and the curriculum is designed to prepare students for work in commercial or Government offices. Many pupils were tempted by attractive starting salaries to leave school without completing the course. Commercial Day Schools Advisory Councils continued to function and were a valuable means of making known the aims and objects of these schools and the qualifications of their pupils. On the other hand the schools thus gained valuable experience of the opinions of representative business and professional men regarding local needs.

UNIVERSITY AND COLLEGIATE (POST-SECONDARY) EDUCATION.

The most advanced educational institutions in Malaya are the King Edward VII College of Medicine, Singapore, and Raffles College, Singapore. These Colleges form the nucleus of the University of Malaya which it is expected will soon be established. In 1948,

227 students from local schools in the Federation were attending the College of Medicine and 158 attending Raffles College.

Raffles College provides three-year courses in English, History, Geography, Economics, Mathematics, Physics and Chemistry, and awards Diplomas in Arts and Science. It is normally an important source of supply of teachers for the Department.

Vocational.

The Technical College, Kuala Lumpur, is a Federal Government Institution under the Department of Education. It provides a three-year course of study in Civil, Mechanical, Electrical and Telecommunications Engineering and Surveying. Students are trained for the posts of Technical Assistants in the Public Works, Survey, Railway, Electrical, Drainage and Irrigation, and Telecommunications Departments. The three-year course of study is supplemented by a year of practical engineering work in the field under the Government Department for which a particular student is selected, thus making a full four-year Engineering course. The conditions governing admission are a good Cambridge School Certificate with credits in English and Mathematics and, if possible, in Science. Private students are admitted after the demands of the departments have been met. During the year some progress was made in re-equipping the laboratories after the damage due to the Occupation, but more equipment is still awaited. The first female student was admitted in July, 1948. At the end of the year there were 187 Government students and 29 private students. One Lecturer is on study leave in England preparing for the M.Sc. Engineering Degree of London University. Part of the College field is being used by the Police Department as a Traffic Centre during the Emergency.

The College of Agriculture, Serdang, near Kuala Lumpur, under the direction of the Department of Agriculture, provides a one-year Agricultural course in Malay and a two or three year agricultural course for students who have passed the Cambridge School Certificate. In June, 1948, there were 26 students in the 2nd year of their senior course, 17 First Year students and 47 one-year course students. The Federal Government provided 20 major and 12 minor agricultural scholarships in 1948. Twenty-one Penghulus and Assistant Penghulus and six Malay teachers were enrolled and entered the first year course. Field work was planned so that the students received the widest possible experience on all the important field crops, on all stages from field to factory. They also assisted in such work as laying contour lines for anti-erosion works. Rehabilitation is now almost complete, though many items of equipment for the laboratories still remain to be replaced.

The Forestry School, Kepong, started its nine months' course in forestry on 1st March with a class of 27 students, this number being the limit for which quarters were available. The subjects taught included Forest Botany, Elementary Wood Technology and the identification of about 80 kinds of Malayan timbers, Silviculture and Forest Management, Surveying and Drawing, Forest Mensuration, Forest Law, Forest Engineering and Forest Utilization. Plans were drawn up during the year for doubling the capacity of the school and students' quarters.

EXAMINATIONS.

For the December 1948 Cambridge School Certificate Examinations the number of entries in the Federation rose to 2,484. In the external examinations of the University of London two candidates passed the Intermediate Examination in Arts, one in Laws and one in Science (Economics). One candidate passed Part I of the LL.B. Examination. Considerably larger numbers passed in various sections of accountancy, secretarial, banking, London Chamber of Commerce, and City and Guilds of London Institute examinations. Two examinations were conducted during the year on behalf of the Council of Legal Education, London. These were the Trinity Bar Examination and the Special Examination of the Council in Latin.

For the first time an Examiner for the practical part of the examinations of the Associated Board of the Royal Schools of Music visited Malaya.

OVERSEAS HIGHER EDUCATION—SCHOLARSHIPS.

Great difficulty was still experienced in placing both scholarship holders and private students at Colleges and Universities in the United Kingdom. Only candidates with first class qualifications could be considered. Medical students were advised by the Director of Colonial Scholars to pursue their studies to the fullest possible extent locally. A number of students obtained admission to various engineering Faculties and to one or another of the four Inns of Court, London. The Welfare Department of the Colonial Office continued to look after the interests and the studies of the 133 students from Malaya who were in the United Kingdom. Of these 68 were Government scholars and 65 were taking courses at their own expense. The Liaison Officer for Malayan and Hongkong students received students on their arrival and helped with the problem of finding accommodation. In March the Director of Colonial Scholars himself visited Malaya and discussed the problems of scholars and private students overseas with the Department, and with the "Students in Britain Committees" which continued to give unofficial assistance and advice to prospective overseas students at Penang, Ipoh, Kuala Lumpur and Malacca. During the year two Queen's Scholars and one Queen's Fellow for 1946 and one Queen's Scholar and two Queen's Fellows for 1947 proceeded to the United Kingdom together. One Queen's Scholar and two Queen's Fellows for 1948 were chosen; they will commence their courses in 1949. The first scholar to be awarded a Colonial Development and Welfare Scholarship in 1945 has now returned to Malaya and is a lecturer at Raffles College. The one 1946 scholar and the seven 1947 scholars are continuing with their courses; in 1948 six more scholarships were awarded, and the scholars are now studying in England. The candidates regarded as most suitable in the Federation of Malaya were those who had completed such local training as was available (e.g., in Engineering at the Technical College, Kuala Lumpur, or in Agriculture at the College of Agriculture, Serdang), and had then proved themselves by a period of service in the field. Two Nuffield scholars and five Colonial Social Welfare scholars continued their studies in England. Two further British Council scholars and five Visitorships were awarded during the year. The Department of

Education sent three teachers to the United Kingdom during the year to take special three-year courses, one for the Art Teachers' Diploma, one for Froebel Training and one for Domestic Science. Three other teachers were selected as the 1949 departmental scholars, two to take a three-year course for the Froebel Certificate and one to study Domestic Science for three years, commencing October, 1949.

Details of overseas scholarships awarded by other departments of Government will be found in the reports of the departments concerned in other sections of this Report.

TRAINING OF TEACHERS.

Teachers in Malay Vernacular Schools.

The principal function of the Sultan Idris Training College, Tanjong Malim, is to train men as teachers for Malay vernacular schools throughout the Peninsula. Although the College is filled to capacity, its output of trained teachers will clearly be insufficient to meet the needs of the rapidly expanding Malay school system in the coming years. Four hundred and twenty-six students are now in residence for a three-year course. The two main functions of the College are teaching students the practice of teaching, and raising their standard of education above that of the Malay vernacular schools from which they originate. The teaching of English was introduced into the first year course at the beginning of the year. Physical training and gardening are two important subjects in the curriculum. An innovation during 1948 was instruction in swimming. All students take a course in basket making and one other craft. Refresher courses of one week's duration for trained teachers were held during the year.

Several other courses of training were pursued during the year in different parts of the Federation, the most important of which being the institution of a three-year training course for teachers who were ineligible for admission to the Sultan Idris Training College and who were thus given an opportunity to be trained, and become eligible for emplacement in Government service as teachers. Classes for pupil teachers were also held to prepare suitable candidates for the entrance examination to the training colleges and classes in certain subjects such as book-keeping and handicraft were held for all types of teachers.

The organisation of a Whitley Council for Malay teachers was under discussion towards the end of the year.

Teachers in Chinese Vernacular Schools.

There were three types of training classes financed by Government and under the close supervision of the Education Department. These classes are for men and women teachers, already fully employed as such in schools, who have not the qualifications for registration. There were eight 1st Year classes with 282 students and five 2nd Year classes with 175 students. There was also a 2nd Year course for teachers of English in vernacular schools. Unlike the probationers from the Malay and Indian schools, who are attached to English schools for the duration of the course, the Chinese candidates attend lectures only and teach in Chinese schools (in which they are in private employment) for the rest of the time.

In the Senior Normal Classes attached to Middle Schools there is a two-year course. Those taking the course are not teachers but full time students who have already passed the 3rd Year Junior Middle examination. Classes were held in Penang, Sitiawan, Kuala Lumpur and Malacca with a total enrolment of 86.

Teachers in Indian Vernacular Schools.

Standard VII classes were held for teachers and would-be teachers who had not been able to obtain this qualification. Two hundred and fifty-four students sat for the Standard VII examination and 140 passed. A Standard VII examination for Telegu teachers was conducted for the first time. The two-year training course for Tamil teachers was conducted at 11 centres.

Teachers in English Schools.

Pending the re-introduction of a four-year course at Raffles College in the Theory and Practice of Teaching, the normal classes, which had for some time previously been restricted to women teachers, have been everywhere revived. The curriculum comprised Theory and Practice of Teaching, and English Language subjects. Most women students pursued the Primary course and most men students the Elementary course. A series of lectures was given on one or sometimes two days a week and included "practical" or "demonstration" lessons on teaching. While undergoing this course, the majority of the students were attached to English schools for observation and practice.

In Penang the special two-year training course, introduced in 1941, was continued for non-aided school teachers. At the end of their 2nd year of training in April, these teachers were examined in General School Organisation, Primary Special Method, English Language and Literature, Oral English and Practical Teaching. Twenty more of such students, not at present qualified to be admitted to normal classes, were enrolled in a similar course which was combined with the course for the training of teachers to teach English in the vernacular schools. Of these probationers there were 60 Malays, 16 Chinese and 11 Indians.

Refresher courses in Domestic Science and in Art were held at certain centres for the benefit of trained teachers.

GIRLS' EDUCATION—A—PRIMARY.

Malay Vernacular Schools for Girls.

The pressure for admission into these schools was so great that in some States it has led to double shifts in the schools, but the more general solution has been the admission of girls into boys' schools. Of the 68,274 girls in schools 23,487 were in girls' schools and 44,787 in mixed schools. Unfortunately far too few stayed after reaching Standard III. In 1947 the total numbers in Standard III in the country were 5,877, in 1948 the total numbers in Standard IV were 4,195. Few girls' schools have adequate playgrounds, although there is plenty of enthusiasm for competitive games and physical training displays. Much furniture was added during the year to the schools, and books have increased in number. In one State seven new Domestic Science centres were equipped, but there was little

increase in the amount of art and music taught. Wherever there is experience and facility for practising the craft the standard of achievement is high. The 23,487 girls in Malay girls' schools were taught by 897 teachers. Of these 225 were trained teachers, 288 untrained and 384 pupil teachers.

Chinese Vernacular Schools for Girls.

The total number of girls in schools, mostly in mixed schools, was 52,003. This represents 21 per cent. of the female population in the age group 5-14. Girls followed the same curriculum as the boys. There is as yet no domestic science, and no physical training especially designed for girls. Most of the schools are still severely handicapped by bad premises, lack of furniture and lack of equipment and apparatus. Overcrowding is serious; 40 pupils may be found in classrooms designed for 28. Despite the difficulties, however, girls press eagerly for the opportunity to learn.

Indian Vernacular Schools for Girls.

The total number of girls in Indian schools is 13,766. Of these about 820 are in the Mission Girls' Schools. The others are in mixed schools. In the mixed schools the curriculum is common to both boys and girls, but the presence of a woman teacher in some schools makes a little Domestic Science, Singing or Needle-work possible. The outstanding improvement made in 1948 was in the additional furniture, books and equipment it has been possible to give the schools.

B—SECONDARY EDUCATION.

There were 21,470 girls in Government and Aided English Girls Schools. Of these 2,090 were in Government schools and 19,380 in Aided Mission Schools. Overcrowding remains acute, although during the year some temporary classrooms have been added. Afternoon classes are held to relieve congestion in many schools. Except in one or two schools there is as yet no established Science in girls' schools. There is a grave lack of specialist teachers qualified to take the work of secondary departments, partly because the flow of qualified teachers from Raffles College has not yet been resumed. Where specialist teachers in Music, Art and Crafts exist, the chances to learn from them have been eagerly seized, but in most areas these creative and aesthetic subjects have perforce to be neglected.

The teaching of vernacular languages has been introduced, though with some difficulty, as the time-tables were already very full and staff hard to find.

Special Malay Classes have been established wherever possible. In one school some of these girls have reached the School Certificate Class.

Malay Girls' College.

Opened in 1947 and housed temporarily in a former hostel in Kuala Lumpur, this has 40 Malay girls in residence. They are selected by merit from all the different States and Settlements. The equipment and furniture has been improved during the year. The library is the greatest acquisition the school has yet received, as the result of a very generous donation.

The curriculum includes the teaching of Malay; religious instruction is given by a visiting teacher appointed by the Religious Affairs Department. Net-ball and hockey are played on the Pudu English School field and weekly swimming lessons have been given at the Victoria Institution Swimming Bath. Visits to suitable concerts, films and local events of importance have been arranged.

Malay Women's Training College.

During 1947 the adjacent grounds and buildings of the old Malacca Trade School were released by the Army and these buildings have been incorporated into the College in 1948. The total number of students is now 115, each State and Settlement sending its quota; but in view of the need for trained women teachers, the accommodation of the college is still small.

To train the students in the teaching of health in schools, two students have been sent each week to assist at the Infant Welfare Clinic. Religious instruction has been given regularly. One student was awarded a British Council Visitorship of six months to England to study the Girl Guide Movement.

PHYSICAL AND MORAL WELFARE.

Medical Inspection and Teaching of Hygiene.

The medical treatment of school children was mainly in the hands of :

- (a) Medical Officers, Schools,
- (b) other officers and subordinates of the Medical and Health Department specially detailed for this work, and
- (c) officers of the Dental Department.

Valuable co-operation was rendered by Lady Medical Officers of Health and routine inspections of schools were carried out with greater frequency than had been possible in previous years.

Although the general progress in the pupils' physical condition was considered satisfactory, there were many cases of sub-nutrition and similar diseases, and some malaria. Skin infections were still all too common. Early in the year there was an outbreak of smallpox which was soon controlled. The drive to prevent the spread of tuberculosis, of which there is a high incidence in urban areas, has continued.

Research is being carried out in Malaya regarding nutrition of children, and school feeding schemes were prosecuted with vigour and with a generous supply of funds by the Government. The Medical Department took over from the Education Department the work of the distribution of milk to schools. The extra food was in most cases distributed to the children of the rural areas where the need was the greatest. "National Milk Cocoa" was issued to welfare centres for distribution to pre-school age children.

Welfare Work.

Welfare work amongst school children formed part of the normal routine duties of the Department of Education and of the Department of Health, but a great deal of valuable supplementary work was

done by the Social Welfare Department, by the Women's Service League, by Rotary and by other charitable bodies and individuals. The Department of Social Welfare continues to make the control of all Homes and Orphanages its special care.

In some remote rural areas the Social Welfare Officers assisted the representatives of the Institute for Medical Research in organising the provision of cooked mid-day meals for schools.

Women's Service League members attended the school clinics, and made regular examinations of the children, giving attention and advice throughout the year. They also assisted in the distribution of food and clothing to poor children.

School Building and Equipment.

The overcrowded state of the schools and increasing public demand for more education made the accommodation problem extremely acute; nevertheless scarcely any new school buildings could be erected during 1948 owing to financial stringency. Plans for simpler and cheaper types of rural schools were prepared. No new Government English school was built during the year. Two new Malay school buildings of permanent type were erected and three others of a temporary type, and a few extensions were made. A number of temporary Malay schools were erected by villagers with Government approval and assistance. The total number of such buildings raised in 1948 is in excess of seventy-five.

Fifty-eight new Indian schools on estates were constructed and many more were repaired. A few Indian schools remain in temple premises and shop houses, but the number of such buildings decreased during the year. Seventy-one new Chinese schools or extensions to Chinese schools were privately constructed, representing 233 new classrooms. This made possible the admission of 9,320 more pupils.

Moral and Religious Instruction.

Religious instruction was given to Malay pupils in the religious schools conducted in the afternoon in many parts of the country. In the Aided Mission Schools religious instruction was given outside the hours of secular instruction. It was not given in Government schools, though some School Certificate candidates studied the Bible in preparation for the Biblical paper they had elected to take in the examination.

Moral teaching, however, was imparted directly by talks and lessons and indirectly through example and the influence of the schools as a whole. Thrift as a virtue is taught in the classrooms of all schools whenever suitable reference and illustration can be made.

Moral instruction in Chinese schools was both direct and indirect. Weekly lectures were given in many schools, and advice was given on how to be worthy pupils and worthy citizens of Malaya. Respect for their parents and good behaviour towards their fellow students were held up as essential virtues. Direct moral instruction was also given in the Civics lessons. Indirect instruction was given through reading and games in all schools, and through Scouting and Guiding in a few schools.

Co-operation with other Departments.

The Department of Public Relations was assisted in the dissemination of its literature, and in translations into the vernaculars. In turn it assisted the Department of Education by loans of posters, film-strips and projectors. The Department of Agriculture helped to supervise school gardens and to give lectures to teachers.

Co-operation with School Managements.

Most of the Aided English Schools were conducted by Missions. The Government met the difference between the school fees and the approved expenditure of these Aided Schools; it also contributed at approved rates to the provident fund for lay teachers.

Youth Movements.

The popularity of the Scout Movement was demonstrated by the increase of 1,774 scouts and cubs over the figure for 1947. The majority of troops and packs, thanks to Government grants, to liberal donations from private sources and to their own contributions, were able to equip themselves by the end of the year. The Chief Scout, Lord Rowallan, visited Kuala Lumpur on 23rd December, 1948, and a grand Rally was conducted in his honour at the Victoria Institution grounds, at which 1,400 scouts and guides took part.

A large contingent of scouts attended the Pan-Pacific Jamboree held at the end of December, 1948, in Wonga Park, Victoria, Australia.

The enrolment of Girl Guides and Brownies increased considerably during the year.

Registration of Schools.

Every school must by law be registered. Briefly, schools must comply with certain health regulations before registration. The improvement noted in the last report in the matter of unregistered schools continued in 1948. The urge for education again caused many irregularly-constituted and unregistered schools to spring up in remoter districts, but in the more developed parts of the country this was less common and registration was usually applied for within a reasonable period.

Donations.

Generous donations for general or specific educational purposes were made by a number of public-spirited gentlemen during the year.

Adult Education.

There was a great expansion of adult education in the Federation during 1948. At the end of the year there were over 3,500 pupils in more than 100 classes. Commercial subjects were especially popular. More than 1,300 pupils were studying a variety of such subjects in some 38 classes. In the Technical College and in Trade Schools over 390 students were attending a variety of technical courses in 22 classes. English in all its branches and at various levels was being studied in adult classes in the Federation by over 1,100 pupils in 30 classes, while another 400 students in 11 classes attended courses in miscellaneous subjects. There were a few evening classes conducted on estates for the benefit of labourers.

Literacy.

(a) Literacy in Malay, English, or any other Language.

The following table shows the percentage literacy rates for the Federation of Malaya at the time of the 1947 Census. In the main figures of this table, persons of all ages (i.e., from birth upwards) who can read and write a simple letter in Malay, English, or any other language are shown as being literate. The figures in brackets are corresponding percentages in respect of persons 15 years of age and over.

			Males.		Females.		Persons.
All Races (excluding Nomadic							
Aborigines)	..	..	44.5 (57)	..	15.7 (16.5)	..	30.9 (38.4)
Europeans	..	..	91.1 (98.8)	..	87.4 (98.3)	..	89.7 (98.6)
Eurasians	..	..	79 (96)	..	74.2 (89)	..	76.5 (92.3)
Malays	..	..	38.6 (50.4)	..	12.1 (11.7)	..	25.1 (30.5)
Other Malaysians	..	..	32.8 (40.8)	..	8.64 (8.44)	..	21.7 (26.6)
Chinese	..	..	49.5 (63.7)	..	31.9 (21.5)	..	35.9 (45.4)
Indians	..	..	50.4 (59.8)	..	19 (19.7)	..	37.6 (45.5)
Other Communities	..	..	56.7 (69.6)	..	35.7 (38.9)	..	46.8 (55.4)

(b) Advance in Literacy since 1931.

The following comparative table demonstrates the all-round and marked improvement in general literacy-rates since the 1931 Census was taken. The main figures in this table show percentages of the whole population (i.e., all ages) who are now literate in any language, and the figures in brackets are the corresponding 1931 percentages.

			Males.		Females.		Persons.	
			1947.	1931.	1947.	1931.	1947.	1931.
All Races (excluding Nomadic								
Aborigines)—								
(All ages)	..	..	44.5	(34.7)	15.7	(6.5)	30.9	(23.2)
(15 and over)	..	..	57	(40.7)	16.5	(6.7)	38.4	(27.8)
Malays and other Malaysians—								
(All ages)	..	..	37.9	(26)	11.8	(4.3)	24.7	(15.3)
(15 and over)	..	..	49.2	(30.8)	11.4	(3.7)	30	(17.4)
Chinese—								
(All ages)	..	..	49.5	(43.1)	19.3	(9.4)	35.9	(32.1)
(15 and over)	..	..	63.7	(48.6)	21.5	(9.7)	45.4	(37.8)
Indians—								
(All ages)	..	..	50.4	(34.3)	19	(8.1)	37.6	(25.4)
(15 and over)	..	..	59.8	(37.5)	19.7	(7.2)	45.5	(28.7)

It will be seen that the increases in literacy-rates are particularly encouraging in the case of females. The general improvement indicated was only to be expected during a period of relatively small immigration, for the educational facilities offered in Malaya have latterly been much superior to those generally available in China or South India and certainly to those in the rural areas from which the majority of the immigrants came. The advance would surely have been even more clearly marked had it not been for the Japanese occupation, when schools deteriorated and many parents kept their children at home. Education stagnated from 1942 to 1945. The phenomenal enrolments of pupils since the liberation has amply demonstrated the pent-up demand among the people for the facilities so long denied them. Further advances have, of course, been made since the 1947 Census was taken, but no more recent figures for the whole population are available.

(c) Literacy in Malay.

At the time when the 1947 Census was taken, 1 per cent. of the total population (excluding Malays, other Malaysians and Nomadic Aborigines) was literate in Malay, i.e., able to read and write a simple letter in the Malay language, employing either the Arabic (or Jawi) script or alternatively the Romanized script. By race, 0.61 per cent. of Chinese, 1.61 per cent. of Indians, 15.4 per cent. of Europeans, 5.58 per cent. of Eurasians and 6.1 per cent. of other races were literate in Malay.

(d) Literacy in English.

As regards literacy in English (i.e., ability to read and write a simple letter in English) at the time when the 1947 Census was taken, 4.54 per cent. of the total population (excluding Nomadic Aborigines) was literate in English. By race, 2.23 per cent. of Malays, .72 per cent. of other Malaysians, 5.45 per cent. of Chinese and 9.55 per cent. of Indians were literate in English.

CHAPTER VII.

(Section 2.)

HEALTH.

The account of work which is appropriate to State institutions will be contained in the reports of the States and Settlements. This Federal report will deal with the general trends of public health, with developments which are of sufficient interest over the whole Federation, and with an account in greater detail of the work of the Federal institutions which include the Institute for Medical Research, institutions for leprosy and mental disease, a special tuberculosis hospital at Malacca and the quarantine services. It also includes the statistical table of diseases in in-patients and out-patients which is compiled from records submitted by the different States.

Vital Statistics.

In spite of the fact that terrorists' activities have caused over 1,000 deaths, the year 1948 has been the most healthy ever recorded in Malaya, judged by vital statistics. There is a moderate reduction in the birth rate, from 43.2 per 1,000 for all races in 1947 to 40.7 in 1948. The birth rates by races were :

Malays	..	..	..	..	37.5 per 1,000
Chinese	..	..	..	..	43.9 „ „
Indians	..	..	..	..	44.8 „ „

The death rate has fallen to 16.4 for all races, compared with 19.5 for the previous year. The death rates by races were :

Malays	..	..	..	..	19.8 per 1,000
Chinese	..	..	..	..	12.9 „ „
Indians	..	..	..	..	12.8 „ „

Infantile mortality has fallen from 102 to 89 per 1,000 for all races. Both the infantile mortality and the general death rate are the lowest on record.

Possibly incomplete registration may account for part of the apparent improvement. Changes in the age distribution of the Chinese and Indian groups in the population have also to be taken into account, for in these groups there is now an abnormally high proportion of young adults, who are the least vulnerable section of the population.

These factors do not apply in the case of the Malay population. Any errors in recording are likely to be the same from year to year. For the Malays, the general death rate is 19.8 per 1,000, compared with 24.6 per 1,000 in 1947, and the infantile death rate is 111 per 1,000 live births, compared with 129 in 1947.

With the exception of Kelantan, where the figures are on the same level as in 1947, there has been an improvement in the rates for Malays, in all States and for all age groups. The natural increase of the Malay population, by the balance of births over deaths is 42,771, which is better than the natural increase for 1947 by 1,326, in spite of the fall in the birth rate.

Many factors contribute to this improvement; the most important seems to be the continuing reduction in the incidence of malaria. The high mortality during the years of the Japanese occupation is still a factor. A proportion of the old and infirm, who would have been expected, under average conditions to die during the year under review, died during the war years; but this factor applied equally in 1947. There appears to be no doubt that the statistics for 1948 indicate a real improvement in the public health.

New Developments.

Amongst the new developments which are mentioned in the report and of special interest are the dramatically successful results of the treatment of tropical typhus by Chloromycetin, reported in the section dealing with the Institute for Medical Research, and the very successful results from the use of Sulphetrone and Sulphone in the treatment of leprosy.

INFANTILE AND MATERNAL MORTALITY.

Infantile Mortality.

The deaths of infants under one year numbered 18,073 out of 81,172 deaths at all ages. Live births numbered 201,712 and the infantile mortality rate is 89 per 1,000 live births. The corresponding figures for 1947 were 21,555 deaths with a mortality rate of 102.

The racial distribution of infantile mortality is as follows (the corresponding figures for 1947 are in brackets) :

Races.	Infant Deaths.		Births.		Infant Mortality Rates.	
Malays	..	10,126 (13,020)	..	91,165 (100,474)	..	111 (129)
Chinese	..	5,694 (5,848)	..	84,732 (82,862)	..	67 (70)
Indians	..	2,139 (2,596)	..	24,144 (26,044)	..	88 (99)
Europeans	..	3 (5)	..	336 (259)	..	8 (9)
Eurasians	..	17 (18)	..	336 (351)	..	50 (51)
Others	..	94 (68)	..	999 (825)	..	94 (82)
ALL RACES	..	18,073 (21,555)	..	201,712 (210,815)	..	89 (102)

Maternal Mortality.

The total maternal deaths were 1,176 for 201,712 births, compared with 1,476 for 210,815 births in 1947. The maternal mortality by race was :

Malays	..	..	..	8.4	per 1,000 births.
Chinese	..	..	..	3.2	,, ,, ,,
Indians	..	..	..	5.5	,, ,, ,,

Principal Causes of Death.

Out of a total of 81,172 deaths only 18,766, about twenty-three per cent., have been certified by a medical man. It may, therefore, be expected that the classification is far from accurate. "Fever" of unknown origin accounts for 9,943 deaths. Malaria accounted for 1,301 deaths compared with 2,169 for 1947.

The other principal causes are given below (1947 figures in brackets) :

- (a) Pulmonary Tuberculosis, 3,515 (3,818).
- (b) Pneumonia, 1,738 (2,339).
- (c) Premature birth, 1,973 (2,142).
- (d) Smallpox, 72 (933).
- (e) Violence, 2,204 (1,519).

Special Diseases.

The incidence of malaria has reached even lower levels than in 1947. In Pahang, Johore, Selangor and Perak the usual seasonal rise was completely absent. The number of cases treated in Government hospitals was 19,519 with 596 deaths compared with 26,174 with 1,041 deaths in 1947. How long this happy state of affairs will continue remains to be seen, and must not be taken to mean that malaria has ceased to be a considerable public health problem in Malaya.

No cases of plague and cholera were reported during 1948.

Five hundred and twenty-one cases of Smallpox with 72 deaths were reported during the year. This is the carry-over from the 1947 outbreak.

The number of cases of Tropical Typhus reported in 1948 was 483 with 26 deaths.

The number of cases of Enteric Fever reported was 918 with 184 deaths. The disease is endemic in Malaya. There was no outbreak in any particular area, but cases occurred sporadically throughout the country.

Dysentery and Diarrhoea are not notifiable. Hospital statistics show admissions as 6,513 with 746 deaths. There is nothing to indicate that these diseases were more prevalent than normally.

Six hundred and thirty-six cases of Diphtheria occurred with 181 deaths.

Twenty-two cases of Cerebro-Spinal Meningitis were reported with seven deaths. There was no epidemic of either diphtheria or cerebro-spinal meningitis, cases occurring sporadically.

One hundred and forty-eight cases of Poliomyelitis with 20 deaths were reported.

Hospital statistics on Pulmonary Tuberculosis give 7,328 admissions with 2,182 deaths.

Tuberculosis has now become the disease which attracts the greatest public interest. It is doubtful whether there has been any real increase in incidence compared with pre-war years but there is a general impression, which is not entirely supported by statistics, that there has been a noticeable increase particularly in the young adult population as a result of malnutrition during the Japanese occupation.

A new development in dealing with tuberculosis has been the establishment in Malacca Hospital of a modern special hospital for the treatment of tuberculosis with 270 beds devoted for this purpose. Emphasis is placed on active treatment, principally with pneumoperitoneum. Streptomycin has been used in a small proportion of cases and facilities for surgical treatment are being developed. It is intended that this specialised hospital will serve as a model for similar institutions elsewhere in the country, when funds and staff become available.

Active investigations are now being carried out into the possibility of using B.C.G. vaccination, first on selected groups such as nurses and hospital assistants. Investigation of the tuberculin reactions of school children has been repeated recently and it has been found that the number of positives among school children between the ages of five and twelve living in urban conditions is over 40 per cent.

One hundred and four thousand, seven hundred and two cases of Yaws were treated during the year as compared with 74,133 in 1947. It is hoped to reduce the disease to the level of previous years.

Health on Estates.

Progress continues to be made in health measures for estate labourers. The general health of labourers has improved, the main feature particularly being the low incidence of malaria. The estate hospital position is not satisfactory. There is a tendency to close such hospitals. The effect of this is to throw an additional strain on the already much overworked and understaffed government hospitals. The rationalisation of the hospitals position, both government and estate, is overdue and will have to be considered as part of a larger plan for the improvement of rural health generally.

Health on Mines.

Mines have no hospitals and labourers are sent to government hospitals. The provision of adequate hospital accommodation for labourers on mines will also have to be considered in connection with a rational plan for a rural hospital service.

Railway Sanitation.

The health and medical work on the Malayan Railway is under the charge of a Medical Officer seconded from the Government Medical Service. His staff consists of 13 Hospital Assistants, three Health Inspectors, 18 Anti-Malaria Inspectors with a labour force of 120. The main activities of this officer and his staff are medical treatment of Railway staff and their dependants, general public health measures in Railway areas, and anti-malarial work on Railway property. The anti-malarial measures taken are oiling, D.D.T. barrier spraying and prophylaxis.

Malacca Beach Scene.



The Federal
Secretariat,
Kuala Lumpur.



Nine Railway Dispensaries functioned during the year with three Dispensaries at major construction centres. 66,976 attendances of Railway staff and their dependants were recorded at all Dispensaries. First Aid instruction based on the St. John's Ambulance handbook were given during the year to 302 new staff. First Aid boxes and stretchers are available on all passenger trains, workshops and at all stations.

School Hygiene.

Visits were made to 919 schools and 124,191 children were examined. A comparison of the average defects found among them, with 1946 indicates the extent of the general improvement in the health of school children.

		Dental Diseases.		Skin Diseases.		Eye Defects.		Spleen Enlarged.		Pediculus.
1946	..	30%	..	20%	..	2%	..	11%	..	4%
1948	..	13.3%	..	9.4%	..	1%	..	5.4%	..	2.9%

Dental treatment was given to over 16,000 school children.

Control of Preparation and Sale of Food.

Routine inspections of eating and coffee shops, bakeries, slaughter houses, markets, street stalls and food hawkers were carried out as usual. All licensed food handlers have to be passed as medically fit, and are inoculated with T.A.B. vaccine before a licence is granted.

Port Health Work.

Quarantine for the Federation of Malaya is now carried out at Penang. During the year, sixty-four immigrant ships from India, one hundred and five from China, six pilgrim ships from Jeddah and four hundred and thirty-five from other infected ports arrived, carrying a total of 71,858 saloon and deck passengers.

Outgoing Pilgrim Ships.

Six pilgrim ships carrying a total of 4,262 pilgrims left the port during the year. The pilgrims ranged from infants in arms to very aged adults. None of them was rejected on the grounds of being afflicted with any contagious or infectious disease.

Incoming Pilgrim Ships.

Six pilgrim ships carrying a total of 4,271 pilgrims arrived during the year. A total of 31 deaths occurred on these ships, the majority of deaths being due to senile debility.

One case of chicken-pox was detected during the routine inspection on board. The case was sent to the Infectious Diseases Hospital, Perak Road, Penang.

Difficulty with passengers carrying invalid or in some cases forged vaccination certificates continues to arise. 13,855 passengers were detained for quarantine examination.

Aircraft.

During the year 304 planes were inspected at the Bayan Lepas Aerodrome. A total of 1,478 crew and 2,397 passengers were examined but no case of infectious disease was detected among them.

Maternity and Child Welfare.

This is a State service, particulars of which will be found in the reports of individual States and Settlements. Maternity Hospitals exist at Penang and Johore Bharu. In Kuala Lumpur the Chinese

Maternity Hospital is still used by Government. Elsewhere there are maternity wards in all Government Hospitals.

The total number of women admitted to maternity wards in 1948 was 32,615. The total number of deaths was 273. This compares with 28,683 admissions with 340 deaths in 1947.

Child Welfare Centres.

This is also a State service. There are Infant Welfare Centres in all the main towns. Periodic visits are paid by the staff to the surrounding districts. The total number of attendances was 583,755 and 245,003 visits were paid to mothers and children in their homes.

Hospitals and Dispensaries.

Hospitals and dispensaries are a State service, particulars of this service will be found in the Annual Reports of States and Settlements. The total number of beds available for patients was 13,177. The daily average number of in-patients was 10,188.

During the year 203,279 in-patients were treated. This does not include the inmates of the leper and mental institutions—894 and 1,844 respectively. The hospitals range from the large modern buildings in Penang, Malacca and Johore Bahru through the less modern pavilion type of hospital such as those in Alor Star, Ipoh, Kuala Lumpur and Seremban, to the small district hospitals.

The equipment of the hospitals is now reasonably good in essentials, and most of the buildings have been restored to good condition, but there are still many deficiencies in special equipment, particularly X-ray apparatus.

The number of malaria cases treated in Government Hospitals was 19,519, a reduction of 6,655 from 1947. The distribution of types of malaria, diagnosed microscopically, was :

Subtertian 62 per cent.	Mixed 4 per cent.
Benign tertian .. 32 „ „	Quartan 2 „ „

The seasonal incidence of malaria followed the usual course, the rise beginning in April and reaching its peak in May and June.

The following gives an indication of the commoner conditions treated :

Disease.	Admissions.	Deaths.	Mortality per cent.
Malaria	19,519 ..	596 ..	3.05
Pulmonary Tuberculosis	7,328 ..	2,182 ..	29.77
Dysentery	2,314 ..	125 ..	5.4
Diarrhoea and Enteritis	4,199 ..	611 ..	14.55
Pneumonia and Broncho-Pneumonia	4,451 ..	965 ..	21.68
Bronchitis	6,996 ..	97 ..	1.38
Beri-beri	510 ..	58 ..	11.37
Venereal Diseases	5,888 ..	103 ..	1.74
Enteric Fever	898 ..	158 ..	17.59
Injuries due to External Causes ..	19,400 ..	543 ..	2.79

Equipment for surgical work improved considerably during 1948. A total of 28,926 surgical operations were performed.

Ophthalmic Work.

Thirty-two thousand, two hundred and sixty patients were treated for diseases and injuries of the eye and 2,212 eye operations were performed.

Radiological Work.

The equipment of the radiology department improved during the year but is still very defective. No facilities exist for deep X-ray therapy; radiological diagnosis is fairly satisfactory where equipment exists, but many of the fairly large hospitals have no X-ray equipment. 40,735 patients have been examined by X-rays and 959 patients treated in the X-ray and Electro-therapeutic departments.

Out-Patients.

All hospitals have out-patient departments. This is supplemented by small dispensaries situated in many of the smaller towns and by travelling motor dispensaries operating on the main roads. Hospital Assistants in charge of fixed dispensaries travel by bicycle throughout their area to deal with places which the travelling dispensary cannot reach. In Johore, Pahang, Trengganu, and Kelantan, a certain amount of travelling is also done by river. The absence of suitable craft has prevented the resumption of the pre-war service to river kampongs.

The demand for the services of these dispensaries has increased greatly since the war. 1,975,009 attendances were recorded in 1948. This figure does not include attendances at Infant Welfare Centres and Venereal Disease clinics. 632,929 of these attendances were at Travelling Dispensaries.

Dental Surgery.

The total number of dental officers employed in the Federation of Malaya at the end of the year was 24. This figure shows an increase of four on 1947, but is eight below the establishment of 32. The output of dental officers from the College of Medicine is still below the requirements of the Service and the attractions of private practice make recruitment difficult.

The number of attendances has risen from 102,255 in 1947 to 111,165 in 1948.

Venereal Disease.

Treatment centres are available at all hospitals and out-patient clinics. A number of special clinics function in the larger centres of population. The following gives the number of cases treated :

			Syphilis.		Gonorrhoea.		Soft Sore.
Chinese	..	..	4,802	..	2,755	..	906
Indians	..	..	3,750	..	2,058	..	1,079
Malays	..	..	3,646	..	3,065	..	503
Others	..	..	188	..	268	..	48
Total			12,386	..	8,146	..	2,536
1947 Figures			12,513	..	6,579	..	1,991

The number of cases of Syphilis shows a slight decline compared with the figures for 1947. There is, however, a considerable increase in the number of cases of Gonorrhoea treated and also for Soft Sore. The 1948 figures are still much below those for 1946. The increase in the figures for Gonorrhoea and Soft Sore probably indicates a greater number seeking treatment with the realisation that treatment with the newer and more effective drugs, such as penicillin, is available.

SPECIAL INSTITUTIONS.

Institute for Medical Research.

The years 1947-1948 have witnessed a notable widening of the research activities of the Institute, paradoxical though this may seem in view of the difficulties experienced in the replacement of basic research equipment needed to make good the heavy losses of war and to adapt war-time advances in technique to the investigation of Malayan medical problems.

The initiation of projected lines of research has been largely dictated by these difficulties of replacement; and it has been in the fact-finding field investigations, especially those concerned with malaria, entomology and nutrition, that progress has been most noteworthy amongst the various Divisions of the Institute.

But a more than compensating feature has been the increasing extension of the activities of the Institute occasioned by the attraction to it of visiting research units, staffed by picked men, each unit concentrating on one particular set of problems; with the gratifying result that the role of the Institute assumes increasingly that of a medical research centre for the Far East.

Two main factors have contributed to this development. Firstly, generous allocations of research grants from the Colonial Development and Welfare Fund (C.D.W.F.) have been made by the Colonial Medical Research Committee (C.M.R.C.) for schemes of investigation proposed by the staff, supplemented by the Committee's expert advice, where needed, based on experience gained elsewhere in the British Empire. They have provided a most effective stimulus to research effort.

Secondly, the fruitful field that Malayan medical problems offer has attracted medical investigators engaged on similar problems in territories outside the Empire; a development that is due in no small part to the pioneer work of our predecessors and to the sympathetic practical interest of the lay administrator that medical research has long enjoyed in this country.

Concerning the first factor, the C.M.R.C. has allocated research grants to the following projects, now in being at this Institute, and to be described in more detail later :

- (i) the British Scrub Typhus Research Unit, wholly supported by the C.D.W. Fund;
- (ii) the field trial of the anti-malarial drug, Paludrine, partially supported by the C.D.W. Fund;
- (iii) a corresponding field trial of the role of the two insecticides, D.D.T. and Gammexane, partially supported by the C.D.W. Fund.

In addition, plans are in preparation for a joint field investigation by the nutrition worker and the economist. The project has the interest of the C.M.R.C., and will, it is hoped, begin during 1949.

Concerning the second factor, the success of an American research unit of five picked men in demonstrating so decisively in infected areas in Malaya that the new drug Chloromycetin will cure Scrub Typhus has proved a landmark in therapeutic studies that has held the attention of the medical world. As the investigation unfolded, clear indications were obtained that the drug was markedly

effective in typhoid fever also. These findings naturally have prompted new and divergent subsidiary lines of investigation, especially into the possibility of prophylaxis in Scrub Typhus.

To the staff of the Institute, the benefit that thereby has accrued has transcended the mere event, tremendous though that be; for them the interchange of ideas and techniques and the interweaving of certain aspects of the investigations, with their own, have had a most stimulating effect. As an example of this may be cited the fact that over a number of months the two entomologists of the American unit, the three of the British Scrub Typhus unit, and the entomologist of the Institute have been enabled to pursue complementary studies of the many problems of the classification, culture and role of trombiculid mites in disease, a subject that has long been greatly in need of such co-ordinated effort. The profit of such joint studies cannot be rated too highly.

In the DIVISION OF BACTERIOLOGY the longevity of the activity of crystalline penicillin at the room temperatures of Malaya has been assessed. Tests for the determination of penicillin-sensitivity have been introduced.

Study of the "Rhesus" or "Rh" factor has been initiated. The discovery in 1937 by Landsteiner and Wiener that this new factor in blood-grouping existed in human blood has stimulated world-wide investigations of ever-increasing range and complexity. Its immediate practical application, viz., its occasional role in pregnancy and transfusion reactions has become the concern of every general practitioner. It is probable from studies made in many countries that this importance will be limited in Malaya almost entirely to Europeans; but local demonstration of its distribution in the different races of Malaya is needed, and is being undertaken.

The spectacular success of penicillin in a diverse range of infections has caused investigators of the synthetic drugs such as the sulphonamides (M&B 693, etc.) to turn their attention more to the discovery and testing of moulds similar to penicillin that might enlarge the number of infections vulnerable to these mould extracts (or antibiotics.)

An investigation of local moulds found in soil is in progress. The success in Malayan diseases of chloromycetin (to be described later), derived from a mould from Venezuela, has narrowed the quest to one for kindred moulds, with early results of much interest.

In addition, the efficacy of the chloromycetin of Venezuelan origin has been assayed in vitro against a series of local pathogens, with a view to giving a lead to the clinician when ultimately this antibiotic becomes freely available.

THE DIVISION OF BIOCHEMISTRY, more than any other Division, has been handicapped by the difficulty in obtaining replacements of war losses, both of basic chemicals and precision apparatus, chemical and optical. Nevertheless, biochemical studies on rice have been initiated that have a practical bearing on Malaya's nutrition problems.

Liaison with the Divisions of Malaria Research and of Entomology included determinations of Paludrine blood-levels and of D.D.T., both assays being integral parts of the research work of those Divisions.

As new synthetic drugs, antibiotics and chemical insecticides respectively supplant earlier ones, so will the role of the biochemist become increasingly important as a participant in research projects concerned therewith.

In the DIVISION OF ENTOMOLOGY, a welcome event has been the recruitment of a second highly-qualified entomologist during 1948. As the report of 1947 stresses, the lack of senior staff due to a world scarcity of medical entomologists, had curtailed considerably the desired range and tempo of investigations; in contrast, the 1948 Report indicates the impetus that this accession of strength has given.

The need to recruit the largest possible cadre of qualified medical entomologists for Malaya is an urgent one, for Malaya is a country of entomological arrears. The urgency is measured by the toll taken by malaria, mitigated though it be by the newer synthetic anti-malaria drugs; by the occurrence of filariasis, physically crippling, and menacing economically to at least one large rice-growing scheme by the widespread distribution of areas of land infested by mites carrying the causal agent of scrub typhus; and by the need to promote anti-mosquito measures against *Aedes aegypti*, the commonest vector species of yellow fever, a disease from which the Far East is happily free, but against which swifter air travel enjoins unrelenting vigilance. Many subsidiary problems such as those of dengue fever, sand-fly fever and perhaps Q-fever (possibly), could be added. That the influence of the medical entomologist on tropical medicine is wholly preventative further emphasizes the gain to Public Health that an increased cadre of entomologists would bring. No opportunity will be lost to effect this increase. The Entomologist has devoted much effort to the formation of a branch laboratory at Tampin that will be complementary to that formed by the Senior Malaria Research Officer, as noted in the Annual Report for 1946. There his principal activities will be to give assistance in the entomological aspects of the field investigations of the newer chemoprophylactic and chemotherapeutic anti-malaria drugs, and in assessing in "maculatus" country the efficacy of the newer insecticides, D.D.T., Gammexane, and still later rivals to these that will doubtless appear. Preliminary tests have begun.

The adoption in Malaya of D.D.T. spraying of houses for malarial control awaits more knowledge of the nesting habits of local carrier mosquitoes. D.D.T. spraying in the country is thus largely empirical. Controlled trials are planned, and have been submitted to the Colonial Medical Research Committee in London for its views. These are favourable and have received practical expression in the grant of financial aid from the Colonial Development and Welfare Fund. The trials will be made (in house and field) in selected Malay villages and valleys in Negri Sembilan; initial survey work has begun, while, in the laboratory, techniques are being perfected. The enquiry will include a comparative evaluation of Gammexane; and will be interwoven with the field studies of the chemotherapeutic value of the synthetic drug, "Paludrine", now progressing under the direction of the Senior Malaria Research Officer.

Despite the prior claims of malaria, filariasis has not been neglected. The Division has accumulated entomological data that give leads to more comprehensive studies that will be possible when the staff position is more favourable.

THE DIVISION OF MALARIA RESEARCH has continued the large-scale field experiments in chemoprophylaxis that were begun late in 1946 at the request of the Colonial Medical Research Committee and have been aided financially by the Colonial Development and Welfare Fund. On selected estate populations the efficacy and safety of suppressive anti-malaria treatment by Paludrine, Chloroquine, CAM/AQI, and Mepacrine are being compared.

Paludrine has been shown to suppress malaria efficiently under the conditions of light transmission prevailing in Malaya during 1947 and the first half of 1948. Protection was not complete with any of the dosages used—100 mgm. to 300 mgm. once weekly—but “break-through” was comparatively rare. The drug clearly has an important place in Malaya. Why Paludrine should be a successful preventive drug in India and Malaya and disappointing in West Africa is not known. Attention is now directed to the possibility that parasites become “Paludrine-resistant” or to possible differences of strain in West Africa and Malaya.

Chloroquine was also efficient, possibly even more active than Paludrine. This drug, however, is too expensive for general use; and purchase is beset with exchange restrictions.

CAM/AQI, also American, was not efficient when given, as recommended, once a month. The possible utility of the drug in Malaya is not yet defined.

In the therapy of malaria, both Paludrine and Chloroquine are efficient, but the latter causes symptoms to disappear more quickly. The possibility of treating malaria with single doses of an active drug—a method of potential value in the kampongs—is being explored.

Early results of a comparative study of therapy by Paludrine and Mepacrine indicate that in Paludrine therapy, while there is a quick clearance of the blood, the fever response is somewhat slower than in the Mepacrine therapy.

THE DIVISION OF NUTRITION, formed in 1946, is now well launched. Already data of much value to the medical practitioner and economist alike have been secured by teams of investigators in the field. More such teams are being trained; there is no doubt that the effectiveness of this Division is increasing as its organisation grows and its activities ramify further afield.

Attention is drawn to the prominence of beri-beri as a factor in infantile mortality; and to anaemia and skin ulceration as an index of malnutrition.

Dietary and economic surveys have been made in three groups of the rural population that follow sharply contrasting occupations; the findings exemplify how integrated are the sciences of nutrition, economics and sociology.

The institution of a Nutritional Advisory Board, to broaden the basis of nutritional investigation by inter-departmental participation, has greatly stimulated interest and effort.

This Division has largely controlled the expenditure of the \$3,000,000 vote for "Free Meals to School Children". Skim milk-powder, army biscuits and Food Yeast have been made freely available.

The research activities of the DIVISION OF PATHOLOGY were largely merged with those of the U.S. Scrub Typhus Unit inasmuch as laboratory space, laboratory mice and two assistants were allocated to this Unit. With what profit these facilities were used will be clear from perusal of the Unit's summarized report, given below.

Two notable outbreaks of scrub typhus in the vicinity of Kuala Lumpur were investigated by the Senior Pathologist; one served as human material for the assay of Chloromycetin, and indicated an infested area that later proved suitable for the chemotherapeutic studies of the U.S. Unit.

Notes are given of observations on the value of the cotton-rat lung vaccine extensively used during the closing months of the Japanese war. It would appear that batches of this vaccine, shown by mouse tests to possess capacity to protect mice, did not protect man. Dr. Joseph E. Smadel informs us that a vaccine made in his laboratory, and similarly promising in mice, likewise failed to yield any conclusive evidence of protective power in man.

The use of adjuvants as a possible method of enhancing whatever power for protection the rat-lung vaccine might have was the subject of experiment. No such enhancement could be demonstrated.

A series of experiments with penicillin and streptomycin in experimental rat-bite fever was undertaken.

The activities of the DIVISION OF SEROLOGY covered the usual range of laboratory examinations and products. The most responsible of the latter, the production of vaccine lymph, continued at a brisk pace, thus sufficient to vaccinate 4,500,000 persons was made in 1947, and 2,015,680 in 1948.

The claim that "lanolinated lymph" should be preferred to our usual glycerinated product, because of an alleged greater resistance to the imperfect refrigeration of transit conditions, was put to the test, and proved to be unfounded; for whereas the usual I.M.R. lymph retained a maximum potency for 31 days of storage at room temperature, the lanolinated lymph under similar conditions retained its maximum potency for only ten days.

THE IPOH BRANCH LABORATORY, covering a very wide range of subjects, continued efficiently to serve the hospitals of Perak; and to that extent to further research activities of the parent laboratory at Kuala Lumpur.

The United States Army Scrub Typhus Research Unit.

The salient objectives and findings of the United States Scrub Typhus Research Unit, have been outlined by Dr. Joseph E. Smadel, the leader of the Unit, who is the Scientific Director of the Department of Rickettsial and Virus Diseases, Research and Graduate School, Army Medical Centre, Washington D.C., and one of the foremost virus investigators of the present time. He traces the progress made in the investigation of chloromycetin, which exceeded expectation. First came the demonstration of the curative



Public Relations Mobile Public
Address Unit Distributing Leaf-
lets.



Malay Regiment Soldiers
Examine Captured Bandit
Material.

efficiency of the drug in scrub typhus, remarkable in its speed and completeness. The next logical objective, having in mind the drug's military import, was a series of field-experiments designed to evaluate the drug's potentialities in chemoprophylaxis. For it was now possible to expose human subjects in scrub-typhus infested areas, with the certainty of avoiding mortality, and with the prospect of many new avenues of study unfolding.

Thus, overnight as-it-were, a once severe and often mortal disease, centuries-old, much feared by planter and serving soldier alike, had become trivial in the presence of chloromycetin, a drug taken as simply as is aspirin, and the gap between animal and human experimentation bridged. In medical scientists throughout the world these dramatic results have aroused the liveliest interest.

But an even more resounding result has been the finding that in typhoid fever the drug is also effective; 18 cases have been treated without a failure, and more have since been cured in the United States. This additional success has, of course, much more than local interest. For typhoid is world-wide in its incidence, and hitherto no drug has had any specific effect on the infection.

Dr. Smadel alludes to the successful synthesis of chloromycetin by the Research Division of Messrs. Parke Davis & Co. on a scale that is unique in the study of antibiotics and that should extend the benefits of this remarkable drug more widely throughout the community than would otherwise have been possible.

The work of the Colonial Office Scrub Typhus Research Unit has been complementary to that of the American Unit in that it deals primarily with the origins of the disease in infested countryside rather than with the end result, the patient, infected or at risk.

Prior to the Japanese war our knowledge of this aspect of scrub typhus consisted largely of disjointed though valuable observations by isolated individual workers or small groups of workers. During the war the urgency of the problem brought many able investigators to its study, but these were soon to be dispersed by the ending of hostilities. It is therefore most gratifying that through this Unit continuity has been secured with war time investigations, and that long term planned studies, intensive yet unhurried, have been initiated.

Leper Settlements.

There are three Leper Settlements in the Federation, Sungei Buloh in Selangor, Pulau Jerejak in Penang and the Leper Hospital, Johore Bharu. Pulau Jerejak was reopened in February this year with patients transferred from Sungei Buloh. Sixty patients were also transferred from Singapore.

Leper Settlement, Sungei Buloh.

During the year the number of patients in the settlement declined from 2,049 to 1,888. The distribution of population is given below :

	Men	Women	Boys	Girls	Total
Chinese ..	915	409	84	50	1,458
Indians ..	195	36	9	3	243
Malays ..	126	39	7	3	175
Others ..	10	1	—	1	12
Total ..	1,246	485	100	57	1,888

Treatment with Sulphone drugs was begun at Sungei Buloh and with increasing supplies will be extended in 1949 to Pulau Jerejak and the Johore Settlement.

The most satisfactory results have been obtained by the use of 4:4 Diaminodiphenyl Sulphone in oil 1 c.c given by injection. It is well tolerated and no complications have arisen apart from a slight anaemia. The response, particularly in the heavier infected cases, is dramatic. Ulcers of the nasopharynx often of years duration have healed after a few weeks on a total dosage of 2 grammes or less. The injections are prepared by the Pharmaceutical department and the cost of treatment is less than \$4 per annum per patient. Sufficient data is not yet available to judge the end results of this treatment but it is probable that the use of Sulphone drugs will enable cures to be obtained within a period of two years; after six months' treatment bacilli are less numerous in the lesions and fragmentation of the bacilli can be observed.

Three thousand, six hundred and seventy cases required hospital treatment. The main causes of death apart from the leprosy factor was pulmonary tuberculosis which accounted for 30 deaths out of a total of 72.

The introduction of Sulphone therapy has had as might be expected a noticeable effect in morale. The patients now realise that a cure of their condition is possible. The possibility of permanent cure has brought in its train a large number of questions of a social rather than a medical character which in conjunction with the Social Welfare Department will require consideration.

Welfare work in all institutions was actively pursued during the year, the patients themselves taking an active part in entertainments, gardening and serving in varying capacities in the actual staffing and running of the institutions. Through the generosity of the Bar Councils of the Federation and Singapore free legal aid for inmates has been arranged. This aid has been of the utmost value to all patients who may have legal problems, and is much appreciated both by the department and the patients.

Mental Hospital.

The Central Mental Hospital at Tanjong Rambutan deals with all cases of mental disease from the Federation of Malaya with the exception of 1st class male cases for whom there is no suitable accommodation. One ward was converted into three rooms for the accommodation of 1st class female patients. The Mental Hospital, Johore Bahru, is leased to the army.

Deep Insulin and Electric Convulsive Therapy continued to be used, with many dramatic recoveries. Of the former 106 cases were treated and of the latter 599, compared with 109 and 401 respectively in 1947.

Pharmaceutical Laboratory.

The accommodation and equipment are still limited and supplies of raw materials were slow in arriving; nevertheless, over 61,000 ampoules were made compared with 14,750 in 1947 and 52,100 lbs. of galenicals and other preparations, as compared with 27,300 lbs. in 1947. Tablets were made for the first time at Kuala Lumpur and over 140,000 produced.

CHAPTER VII.

(Section 3.)

HOUSING CONDITIONS AND PROGRAMMES.

Housing in the Federation of Malaya may be classified under three separate heads :

- (a) Housing of Government servants and estate and mine workers where a positive standard is enforced by administrative direction in the first instance and by legislation in the second.
- (b) Housing in rural communities, where the type of dwelling, varying according to the race of the inhabitant and evolved through the centuries, develops only by slow degrees in answer to the countryman's gradually increasing demand for—and appreciation of—the civilised amenities.
- (c) Private houses in urban areas, where control is exercised to ensure that accommodation does not fall below a legal minimum.

As regards (a) above, houses are built to type plans which are under constant examination. It is the policy of Government wherever possible to construct permanent quarters, although this rule has been relaxed during the present housing shortage. Electric light and piped water supply are available in most areas. The great majority of existing Government quarters have now been reconditioned up to pre-war standards. There remains, however, an acute shortage of accommodation for all grades of the Government Service.

The Labour Department, which approves labourers' quarters on mines and estates, had pre-war set its face against barrack type dwellings in favour of detached or semi-detached cottages of types designed to ensure maximum light and ventilation on sites approved by the Health Department. Steady progress has been made to restore pre-occupation standards, but new building has been hindered by the prior need for rehabilitation.

As regards (b) above, the Malay peasant appears to have evolved the most practical and hygienic type of housing in the East, having regard to the climate and his financial resources. Little improvement is called for in Malay houses although the condition of compounds and the construction and siting of wells and bathing places still leaves something to be desired, but this is within the scope of the Health Department.

The Chinese rural dwelling, on the other hand, is generally speaking as bad as can be from the point of view of light, ventilation and drainage. Obstacles of prejudice, poverty and conservatism have long hindered the improvement of living conditions in these cases.

As regards (c) above, the inadequacy of urban housing is one of the most pressing problems with which Government is faced. The hard core of the problem is constituted first of houses which are inadequate both with regard to accommodation and conveniences and secondly of houses which are suitable in themselves but have become a danger to public health due to overcrowding. Both

aspects of the problem existed and were accumulating before the war and both have been considerably aggravated by the Japanese occupation when squatter type dwellings, which can only be classified as hovels, were built in great numbers by the influx of persons who migrated from the country areas to the relative safety of the larger towns. In this period there was also an almost complete cessation of building activities, and no control by town and municipal authorities of overcrowding.

The only satisfactory way to assess the precise magnitude of the problem is to lay down minimum standards and, by means of a census operation, assess the numbers of the population. Such figures will not be available until the results of the 1947 Census are published.

The problem is most acute in Kuala Lumpur (with a population of approximately 176,000) where it is estimated that 1,000 houses are required for the higher income groups and 13,000 for the lower income groups. Persons in the higher income groups are now obliged to share houses or live in hotels and boarding houses, but the problem is more urgent among the lower income groups who are frequently paying exorbitant rents for one cubicle.

During the period April, 1946, to 31st December, 1948, the following houses were built in the Municipality of Kuala Lumpur : permanent houses 95, temporary buildings 1,223, Kampong Satu Government Housing Estate 220. Private enterprise is not at present interested in schemes for cheap houses, owing to high building costs, and this factor has led the Municipality to undertake the building of Housing Estates. A further Housing Estate of 440 houses for lower income groups is now planned; and in addition a plan has been prepared by the Town Planner for a Housing Scheme covering a total of 1,058 dwellings.

The proposal to manage or supervise a Government sponsored building programme for the whole of the Federation on the lines of the Kuala Lumpur scheme has been considered, and it is felt that most of the smaller town boards have neither the staff nor the experience to deal adequately with the matter, but that municipalities and the larger town boards would be able to handle the matter. In the larger towns where the greatest need exists, the Municipality of Penang has erected 110 houses since the war and acquired 50 acres of land as the site of a Housing Estate; the Municipality of Malacca has worked out a scheme for the erection of 170 kampong type dwellings and is considering further building schemes; two housing layouts for permanent dwellings in Seremban have been prepared, and a layout in Taiping planned for eventual permanent development of 200 cheap houses.

Building costs are generally considered to be about three times as high as the pre-war level, partly due to high wages and partly due to the high cost of materials. In certain areas where timber shortage is particularly great the costs are even higher. Thus in Kelantan the type of house being built in the Kuala Lumpur Scheme for approximately \$2,350 per two units in softwood is estimated to cost \$5,500 in hardwood and \$3,900 in softwood. These high building costs coupled with the compulsory restriction of rent increases have prevented any effective contribution to the problem by private

enterprise. The possibility of controlling building materials has been considered but it was decided that in practice this was not likely to be effective and might even in the case of timber result in restricting output. Permission for non-essential and luxury building, such as the construction of theatres, cinemas and dance halls, is at present refused by local authorities.

The Malayan Union Housing Committee recommended that a Building Trust should be created and supported by Government to the extent of :

- (1) A subscription of \$5 million to constitute the ordinary capital of the Trust; and
- (2) Granting leases of not less than forty-two years duration to the Trust of State land in suitable areas for building purposes free of premium and rent.

It was recommended that the Trust be given power to raise further money up to four times the ordinary capital subscribed by Government by the issue of debentures secured on the property of the Trust.

The money so raised was proposed for use in three ways:

- (i) to make advances to private builders of up to $66\frac{2}{3}$ per cent. of the capital cost of any new residential building at a rate of interest of around four per cent. with a preference to builders prepared to erect smaller type dwellings ;
- (ii) to build houses, preferably through Municipalities and Town Boards but where necessary, directly, for letting purposes; and
- (iii) to purchase land where no suitable State land is available for building.

The Housing Committee also recommended that as far as practicable, consideration should be given to some form of subsidised scheme of Government building for letting at sub-economic rents to meet the requirements of persons who could not afford to pay the rents to be charged by the Trust.

The projected Housing Trust has not yet been set up, the principal difficulty having been financial, but the Federal Legislative Council has now sanctioned financial provision from Loan funds, and plans are being drawn up.

Provision has also been made from Loan funds for building more Government quarters, and a large proportion of this provision will be applied to alleviation of the very acute shortage of Government quarters in Kuala Lumpur.

CHAPTER VII.

(Section 4.)

SOCIAL WELFARE.

During the year a Directive for the Department of Social Welfare received approval.

On 1st January, 1948, a Social Welfare Officer was posted to each State and Settlement and the post of Area Welfare Officer disappeared. Decentralisation of duties followed, together with the opportunity to deal with welfare problems in close consultation

with State and Settlement Authorities and the development of co-operation with them. During the year there has been slow but satisfactory progress in the introduction and expansion of technical services. This is one result of a further move away from the idea that social welfare consists solely in the granting of cash relief. Rehabilitation work is rapidly taking its place with the objective of giving the less fortunate members of the community the chance of economic independence so that they become a social asset and do not remain a liability.

Perhaps the most significant development during the year was that the first theoretical and practical training courses for officers of the Department of Social Welfare began in January. Their success is reflected in the marked improvement in the standard of work in all branches. Officers of many Government Departments and of Voluntary and Unofficial bodies co-operated as lecturers and gave facilities for training. Their help was invaluable. The Training Schemes are being expanded so that locally recruited officers can become qualified for work which is highly skilled, calls for a wide background of social knowledge and considerable practical experience.

Five Social Welfare scholars, chosen from 187 applicants, were sent to England.

The position to-day is that the Department in addition to its technical functions, has built up an elementary but effective form of social security for orphans, young persons, the aged, the infirm, widows, physically disabled, blind and destitutes.

General Welfare provides a Public Assistance Service which is supplemented by the Burma/Siam Relief Scheme. Working centres, encouragement and re-establishment of local industries, community settlements and training centres to fit persons of all ages to earn a living for themselves are examples. Community feeding centres in remote areas to combat malnutrition, the new food parcels scheme, community enterprises, encouragement to make full use of local resources and to improve local conditions are other phases of General Welfare.

In dealing with the different social problems of the urban and rural areas the progress that has been made can be summarised by stating that Technical Services, e.g., Probation and Approved Schools, Children and Young Persons and Women and Girls Protection, have been developed in the urban and general welfare in the rural areas.

Available statistics for 1948 as compared with those for 1947 show no significant increase in Juvenile Delinquency although an increase could be expected as a result of the Emergency. This reassuring situation is due to steady improvement in Services in Homes for Delinquents, the expansion of the work of Voluntary Organisations, the introduction of the foster home scheme, and the fact that the one probation officer for the Federation has been given more assistance and was able to give his individual attention to Juvenile Delinquency work.

Work on the Children and Young Persons Ordinance has shown improvement and much preparatory work has been done. The position as regards Protection of Women and Girls services is similar. Blind welfare work has progressed.

The services provided by Homes and Institutions and Grant-aided Institutions have been maintained, improved and expanded. There has been an increase in the number of persons particularly orphans cared for either by the Department of Social Welfare or by Grant-aided Institutions. The flowout from the Institutions by the provision of foster homes or employment or marriage (in the case of girls) has steadily increased.

Co-operation with Government Departments has continued with satisfactory results reflected in the expansion of the functional services of the Department of Social Welfare notably in family case work and home enquiries.

Two reports, one on Blindness and one on Juvenile Delinquency, have been produced.

Considerable progressive developments took place in the work and organisation of Voluntary Organisations notably in the Central Welfare Council, State/Settlement and District Welfare Committees; the formation of the Malayan Anti-Tuberculosis Committee and its branches; Women's Service League; and the Council for the Prevention of Blindness and Youth Organisations.

The Department of Social Welfare is closely connected with a wide range of Voluntary and Unofficial bodies, many providing specialised services and all of which make a noteworthy contribution to social well-being. Co-operation with the Central Welfare Council steadily strengthens and overlapping of functions has been eliminated.

Public Restaurants showed an increase in business during the year and continued to pay their way. Malaya's Public Restaurants are revenue producing and are, probably, unique in that respect. They have been responsible for a considerable improvement in feeding and dietary standards. They are Community Centres of considerable social significance. All are equipped with wireless sets, are centres of information and recognised meeting places. Some have Welfare and Working Centres and Clubs attached to them.

Research work continues slowly based on the beginnings of Social Surveys. The figures and statistics for General Welfare (Assistance Scheme), Homes and Institutions both Departmental and Grant-aided, Burma/Siam Relief Scheme and Juvenile Delinquency provide valuable data on social conditions. An immense amount of data is available and waiting for collation. Also, the Department of Social Welfare is accumulating valuable up-to-date information on aborigines, their distribution and social life which it is hoped to be able to present at a later date.

In September the Adviser on Social Affairs to the Secretary of State for the Colonies spent thirteen days in Malaya and, in spite of the difficulties of travel due to the emergency, was able to survey Social Welfare Work and Voluntary Organisations and to see the co-operation between them. He spent most time in the East Coast areas and had the opportunity of observing the difference between rural and urban conditions and to note their different problems.

The murder of Mr. A. M. Blake of the Serendah Boys' Home at the hands of bandits is recorded with regret. The Serendah Boys' Home, a Grant-aided Institution, was set up by the Government, is managed by the Save the Children Fund and receiving a Government grant.

Social Welfare Officers meet any requirement for welfare work anywhere in Malaya which cannot be done by other Departments or Voluntary Organisations.

General Welfare.

The main objective of General Welfare is rehabilitation not cash payment to relieve distress which may do nothing more than subsidise idleness and act as a brake on initiative. Therefore in the place of cash relief the policy has been to introduce :

- Working Centres ;
- Encouragement of local industries ;
- Arrangements for training persons of all ages to earn a living ;
- Food parcels in lieu of cash relief ;
- Community feeding ;
- Kampong welfare ;
- Security for the aged, infirm, widows, orphans, blind, disabled and destitute.

These schemes provide the only form of Public Assistance in Malaya.

Decentralisation and Co-operation.

As soon as it is possible to provide fully qualified officers decentralisation under General Welfare will become possible. In practice General Welfare Schemes should be State Schemes put forward by the State for the State.

Research.

The Department of Social Welfare now has at its disposal much data on social conditions which it intends to collate and publish. The information is provided largely by Social Welfare Officers who are being trained in research methods.

Public Assistance.

The Department of Social Welfare has improved the efficiency of its Public Assistance work. The scale of assistance remains at the same level as for 1947; \$10 per mensem for adults and \$5 for children. In 1947 and since the liberation the Central Welfare Council gave valuable help—amounting to nearly a quarter of a million dollars in 1947—to relieve distress.

Public Assistance is provided for out of the General Welfare Vote. A break-down of the figures for assistance is given as an appendix to the full report.

Much valuable work has been done by all grades of Social Welfare Officers to ensure the success of the Public Assistance Scheme. In 1948 it was possible to pay more attention than previously to rural conditions and to formulate plans for development in 1949.

Homes and Institutions—Federal and Grant-aided.

A brief report on each Federal and Grant-aided Institution and a list of all are given as appendices to the full report. It is expected that they will be gazetted as Places of Care and Protection early in 1949. By means of Homes and Institutions supplemented by Working Centres and General Welfare the Government provides security for orphans, aged and infirm persons, widows, the blind, the physically disabled, young persons in need of care and protection and mentally deficient children.

During the year management committees of interested community leaders have been formed for most Homes and Institutions.

Juvenile Courts Ordinance—Approved Schools and Probation Services.

The survey given as an appendix to the full report is an indication of the work that has been done in spite of the handicap of legislation which has not yet been brought into operation. There are two Homes for delinquent boys—one in Taiping and one in Sungei Buloh.

The plan for Approved Schools and Probation Services rests on the following proposals :

1. Approved Schools :

- A. Taiping serving the Northern Area.
- B. Dusun Tua „ „ Southern Area.
- C. Sungei Buloh „ „ Central Area.
- D. Jeram Mas

2. Camp Schools :

- 1. Telok Ayer Tawar, Butterworth.
- 2. Grant-in-aid School, Serendah (Save the Children Fund).
- 3. Morib Camp.

Hostel :

Kuala Lumpur for boys serving apprenticeship and/or on first entry into employment.

3. Remand Homes—8—situated in Penang

Ipoh
Kota Bharu
Kuala Kangsar or Alor Star
Kuantan
Kuala Lumpur
Seremban
Johore Bahru

Ancillary Services :

Boys and Girls Clubs and Juvenile Welfare Work are being supported by grants-in-aid and it is hoped to expand these services.

Children and Young Persons Ordinance.

1948 was the first year of practical application of the provisions of the Ordinance. It will be some years before it can be made fully effective as it depends on an adequate and properly trained staff under the leadership of a qualified officer. The Departmental training courses and the presence in the United Kingdom of ten officers in training make planning possible to ensure the results the Children's Charter was intended to produce. It must be borne in mind that the onset of the emergency in the middle of the year has done much to retard progress.

Clubs and Youth Organisations.

There has been a remarkable expansion of Clubs and Youth Organisations during 1948 not only in the towns but in the rural areas. One officer was appointed as full time liaison officer for Youth Organisations and another is at work stimulating activities in rural areas. A Conference of Youth Organisations was held in Kuala Lumpur which, it is hoped, will lead to a Federal Conference in the near future. One feature of the Department's training courses was the attention paid to Youth Leadership. The Department has begun a survey of Clubs and Youth Organisations and expects to complete it in 1949.

A first experimental play centre was held for children of the most crowded area of Kuala Lumpur during the school holidays. An attempt will be made to repeat the experiment in 1949.

Training Schemes.

By the end of 1948, 10 Social Welfare scholars were attending the Social Science Diploma Courses at the London School of Economics. When they return their assistance will be of great value.

Very few officers can have the opportunity of University training. Therefore, a Departmental training has been introduced as a first priority. The first training course commenced on 2nd January, 1948. In May a further group of students were recruited and during the scheme of training the students were in the first instance posted to States to enable them to have a clear picture of the scope and function of the work and during their short theoretical training course it was found that this method of working produced better results. The course undertaken is given as an appendix to the main report.

From these two groups of students five were chosen to go to England to study at the London School of Economics.

One pleasing feature regarding the co-operation of voluntary bodies was evidenced when a Course for Matrons and Superintendents of Homes and Institutions was held in December. The Women's Service League undertook to staff our Homes. Matrons and Superintendents were able to come to Kuala Lumpur for this short course knowing that their work was being carried on. The syllabuses of the Courses for Matrons and Assistant Social Welfare Officers are given as appendices to the main report.

Blind Welfare.

"The Report on the recommendations for Blindness in Malaya" was tabled as White Paper No. 9 of 1948 at the Federal Legislative Council on 27th April, 1948.

At the invitation of the High Commissioner an Inaugural Meeting of Blind Welfare was held on 2nd June, 1948, in the Federal Council Chamber. Agreement was reached that :

- (i) the main co-ordinating body for Blind Welfare Services should be a Council on Blindness with the full title of "Council on Blindness, incorporating the National Society for the Prevention of Blindness";
- (ii) the Council should have both official and unofficial members.

(1) *Braille Transcription and Library :*

In October transcription of books in Grade 2 Braille was started by two Volunteers, and by the end of 1948 there were six Volunteers capable of transcribing in Grades 1 and 2.

Experiments have been carried out in shellacing Braille to preserve it, and it is hoped to start the binding shortly.

(2) *Vernacular Braille Codes :*

A Committee was formed in April, 1948, to design Braille codes for Malay, Mandarin Chinese and Tamil.

(3) *Registration of the Blind :*

Registration has started and is making slow progress mainly due to the Emergency.

(4) *Duty Free Imports :*

All dutiable goods and equipment specially designed, adapted and manufactured for, and for the exclusive use of, the blind are exempted from the payment of Customs Import Duties—*Gazette Notification No. 1532 of 17-6-1948.*

Public Restaurants.

In the year 1948, Public Restaurants continued with success and served a total of 18,378,270 meals as against 12,512,321 for the year 1947. Sponsored Restaurants also did their share by serving 9,067,201 meals as against 5,564,498 in the previous year.

The total expenditure for the year was \$138,308.38, the amount spent/allocated under the heading of "Capital" was \$27,000 leaving a balance under expenditure of \$111,308.38, the receipts were \$124,857.29 thus showing a working profit of about 11 per cent. The Capital Account which stands at about \$250,000 will, however, have to be written down.

CHAPTER VII.

(Section 5.)

GOVERNMENT INFORMATION SERVICES.

Developments in the Federation dictated that the work of the Government Information Services should in the early part of 1948 be directed largely to explaining and introducing the Federation of Malaya to the people, while from June onwards the efforts of the Department of Public Relations were primarily devoted to supporting the actions of Government and of the Security Forces in the defence of the Federation against the communist-led bandit attack.

The latter task has been a considerable one and included the planning and production of more than 30 million leaflets in Malay, English, Chinese and Tamil under the direction of the Emergency Publicity Committee.

Considerable credit is due to the field staff of the Mobile Public Address Units which have brought information on all aspects of the Emergency to an average of some 185,000 people a month in the rural areas of the country. They have spoken on banditry and Communism and distributed a large number of leaflets. Their work

has been difficult and dangerous. Reactions from the public are confirmed by bandit documents that it has not been without effect.

Although the Emergency necessarily resulted in a reduction in the more constructive work of the Department of Public Relations and a concentration of effort in support of the Security Forces, the policy of providing the utmost assistance in the effort to provide simple vernacular informative and educative material for workers and Trade Unionists was continued in close collaboration with the office of the Trade Union Adviser.

There is as yet no organisation in the Federation of the type of the British Workers Educational Association and little available on matters of concern to labour and trade unions in any language except material published in English for a British reader or that prepared for their own purposes by the Malayan Communist Party.

Some 365,000 copies of various simple pamphlets on Trade Union organisation, etc., in English, Malay, Chinese and Tamil were prepared by the Department in co-operation with the Trade Union Adviser's Department and have had an excellent reception from Trade Unionists.

Twenty-eight thousand copies of a simple summary in four languages of the Report on Labour and Trade Union Organisation in the Federation of Malaya and Singapore by Mr. S. S. Awbery, M.P., J.P., and Mr. F. W. Dalley were also produced together with 5,000 copies of a simple pamphlet on the International Labour Organisation Preparatory Conference held in Delhi in 1948 to which Malaya sent a delegation.

In addition, the fortnightly Malay and Tamil vernacular papers of the Department which have a wide circulation in rural areas contained regularly a considerable amount of material of interest to labour.

Work in collaboration with the Public Health Education Committee was necessarily reduced as a result of the Emergency but some 295,000 pamphlets in four languages were prepared and issued together with some 40,000 copies of varied material for the Malayan Association for the Prevention of Tuberculosis.

In addition, health subjects were regularly featured in the regular vernacular publications of the Department and were included in the subjects covered by the Mobile Public Address Units in rural areas.

Some 10,000 persons made use of the 34 Information Centres and 12 Reading Rooms daily throughout the Federation during 1948.

This service is particularly valued by the people in rural areas. In Jitra, Baling and Bukit Mertajam, for example, Information Centres have been made possible solely through the united efforts and contributions of all races of the local community. During the year Reading Rooms were built in some kampongs by the village people assisted by the local authorities and serviced with publications by the Department.

Towards the end of the year the drastic financial reductions necessary in the expenditure of all Government Departments necessitated the reduction of the scale of this public service. It was an excellent test of the value of such centres to local communities insofar as that when intimating that Federal finances would not be

available on the same scale in 1949 the Federal Government gave local communities an opportunity to maintain these Centres voluntarily, without further cost to Government other than the provision of reading material.

The result is that in 1949 a total of 45 Information Centres and Reading Rooms will continue to be serviced by the Department with publications but with the exception of 16 will be maintained without further expenditure of Government funds.

The Federal (16 mm.) Film Library established by the Department expanded during the year. The number of educational and instructional films held increased to 894 films, including copies, more than double the 1947 figure.

More than 28,000 school children were shown educational films borrowed from the Library during the year; the total issues for school shows being 369 films.

The Mobile Units of the Department of Public Relations continue to be the greatest users of 16 mm. films. It is estimated that some 1½ million people, largely in isolated rural areas, attended these shows at which addresses in their own languages were given on a large number of topics ranging from local problems to the Emergency and Communism. From June onwards owing to the Emergency the showing of films at night was not practicable in dangerous areas where activities of the Mobile Units were confined to public address work.

The Disney cartoons made for the United States of America Department of State for the purpose of instructing the people of Central and South America in simple health and sanitation continued to be the most popular and effective material on these subjects.

Some 91 film shows were arranged for specialist audiences. Amongst these was the film "Early Diagnosis of Acute Anterior Poliomyelitis" which was flown out by the Central Office of Information in answer to an urgent request at a time when the "polio" epidemic in Malaya was at its height.

Malayan Film Unit.

Output with the staff available was limited to newsreels and a small number of short documentary films. A high technical standard was maintained and a short film on the Federation of Malaya made by the Unit was later acquired by the Central Office of Information for distribution throughout the Commonwealth.

CHAPTER VIII.

LEGISLATION.

The work of unifying the laws continued throughout the year 1948 in spite of difficulties caused by the outbreak of the Emergency and by shortage of staff, though, of course, the fact of the Emergency is reflected in the nature of some of the Ordinances enacted.

Fifty-three Ordinances were enacted during the course of the year, the principal ones being :

- (1) the Control of Rent Ordinance, 1948 (M.U. No. 6 of 1948), which provided for the amendment and unification of the law relating to the control of rents ;

- (2) the Interpretation and General Clauses Ordinance, 1948 (M.U. No. 7 of 1948), a technical measure, but nevertheless an important one, governing the construction of all written laws ;
- (3) the Railway Ordinance, 1948 (M.U. No. 8 of 1948), an amending and consolidating measure containing 123 sections and providing for the general control and administration of the Railway. The Ordinance provides, *inter alia*, for the incorporation of the Railway Administration and for the vesting of movable and immovable property belonging to or used by the Railway;
- (4) the Transfer of Powers Ordinance, 1948 (F. of M. No. 1 of 1948), which provides for such transfers of powers and functions as are necessary or expedient to bring existing laws into accord with the provisions of the Federation of Malaya Agreement. Owing to the length of time involved in the preparation of the Schedule of transfers of powers (this involved scrutiny of each individual Ordinance and Enactment in force in each State and Settlement of the Federation), and in reference of the draft Schedules to the Ruler in Council of each State concerned, it was only possible to set out in the Ordinance itself the necessary amendments to the Ordinances of the Malayan Union and the Enactments of the Federated Malay States. Power was, however, conferred on the High Commissioner in Council to add the necessary parts to the Schedule, and, at the time of writing of this report, all necessary parts have been added and, apart from certain instances where, for one reason or another, it proved impracticable to make the necessary provision under this Ordinance, the transfer of powers is complete ;
- (5) the Municipal Ordinance (Extended Application) Ordinance, 1948 (F. of M. No. 3 of 1948). This Ordinance is in the nature of an interim measure to enable Kuala Lumpur to become a Municipality. A new Municipal Ordinance for the Federation is contemplated, but owing to the Emergency and other urgent matters, little progress with the draft has been possible up-to-date ;
- (6) the Restricted Residence (Extended Application) Ordinance, 1948 (F. of M. No. 4 of 1948) and the Restricted Residence (Amendment) Ordinance, 1948 (F. of M. No. 13 of 1948). These two Ordinances between them provide for the extension of the Federation, and amend that Enactment so as to provide for the placing of persons under police supervision. Both measures had their origin in the civil disorders prevalent during the year which culminated in the declaration of a state of Emergency ;
- (7) the Banishment Ordinance, 1948 (F. of M. No. 5 of 1948). This again arose out of the civil disturbances, and extended the F.M.S. Banishment Enactment throughout the Malay States, with necessary amendments ;

- (8) the Registration of Dentists Ordinance, 1948 (F. of M. No. 7 of 1948)—a unifying measure regulating the practice of dentistry in the Federation ;
- (9) the Trade Unions (Amendment) Ordinance, 1948 (F. of M. No. 9 of 1948) and the Trade Unions (Amendment No. 2) Ordinance, 1948 (F. of M. No. 15 of 1948), which together provide for a number of amendments of the existing Trade Union legislation, and, in particular, make provision for the formation and registration of federations of trade unions ;
- (10) the Emergency Regulations Ordinance, 1948 (F. of M. No. 10 of 1948). This important measure was enacted to meet the danger threatening from Communist insurgents in the middle of the year. It is similar to war time legislation and empowers the High Commissioner to make regulations to meet the situation once a state of emergency has been declared, a declaration which must, in due course, receive the ratification of the Legislative Council. A state of emergency was declared on the 12th July, 1948, and the following principal regulations have been made under the Ordinance—the Emergency Regulations, 1948 ; the Emergency (Criminal Trials) Regulations, 1948 ; the Emergency (Detained Persons) Regulations, 1948 ; the Emergency (Registration Areas) Regulations, 1948 (under which national registration is now being enforced) ; the Emergency (Auxiliary Police) Regulations, 1948 ; the Emergency (Auxiliary Police) (Personal Injuries) Regulations, 1948 ; the Emergency (Travel Restriction) Regulations, 1948 ; the Emergency (Civilian Injuries Compensation) Regulations, 1948 ; in addition to many amendments and other minor measures ;
- (11) the Income Tax (Amendment) Ordinance, 1948 (F. of M. No. 11 of 1948), which effected extensive amendments to the Income Tax Ordinance, 1947, and, in particular, introduced special provision in respect of the carrying forward of allowances, and of allowances to planters and miners, and for single assessment in respect of Colony and Federation income ;
- (12) the Printing Presses Ordinance, 1948 (F. of M. No. 12 of 1948), another unifying measure, connected with the Emergency, to regulate the keeping of printing presses and the printing of documents ;
- (13) the Sedition Ordinance, 1948 (F. of M. No. 14 of 1948), like the last, a unifying measure arising out of the Emergency ;
- (14) the Registration of Criminals Ordinance, 1948 (F. of M. No. 18 of 1948), which unifies and extends throughout the Federation the law relating to the recording of finger-prints and the registration of criminals ;

- (15) the War Risks (Goods) Insurance Ordinance, 1948 (F. of M. No. 24 of 1948), which, subject to certain amendments, extends the War Risks (Goods) Insurance Enactment of the Federated Malay States throughout the Federation in place of the existing individual State Enactments ;
- (16) the Penal Code (Amendment and Extended Application) Ordinance, 1948 (F. of M. No. 32 of 1948), which, as in the last case, provides for the extension of the F.M.S. Code throughout the Federation, and also introduces provision for the offence of criminal conspiracy ;
- (17) the Co-operative Societies Ordinance, 1948 (F. of M. No. 33 of 1948)—yet another unifying measure ;
- (18) the Rule Committee Ordinance, 1948 (F. of M. No. 35 of 1948). This Ordinance replaces the Rule Committee (Supreme Court) Ordinance, 1947, the provisions of which are substantially reproduced, and, in addition, makes provision for the making of rules to govern the practice and procedure of subordinate Courts ;
- (19) the Industrial Courts Ordinance, 1948 (F. of M. No. 37 of 1948), which makes provision throughout the Federation for the establishment of Industrial Courts and Courts of Inquiry in connection with trade disputes. Such provision formerly existed only in the Straits Settlements, the Federated Malay States and Kedah ;
- (20) the Life Assurance Companies Ordinance, 1948 (F. of M. No. 38 of 1948). This and the next item provide for the unification of the law relating to Life Assurance Companies and Fire Insurance Companies throughout the Federation ;
- (21) the Fire Insurance Companies Ordinance, 1948 (F. of M. No. 39 of 1948)—see note to Item 20 above ;
- (22) the Post Office Savings Bank Ordinance, 1948 (F. of M. No. 40 of 1948)—another unifying measure which consolidates into one Bank all the different Savings Banks that formerly existed in the different States and in the Settlements ;
- (23) the Debtor and Creditor (Occupation Period) Ordinance, 1948 (F. of M. No. 42 of 1948)—an important and controversial measure which seeks to regulate the relationship between debtors and creditors in respect of debts incurred prior to and during the period of the occupation of Malaya by Japanese forces ; and
- (24) the Courts Ordinance, 1948 (F. of M. No. 43 of 1948), another important measure which provides for the re-organisation and constitution of the Civil and Criminal Courts of the Federation on the lines contemplated by the Federation of Malaya Agreement, 1948.

In addition to normal legislation by way of Ordinance, the year 1948 was marked by the signing and bringing into force of the Federation of Malaya Agreement. This document has the force of law in the Federation, and, together with the individual State



Malay Kampong Guards Undergoing
Combat Training in the Jungle.
They are part of the 17,000 Malays
in the Auxiliary Police.



A Johore Malay
Kampong Guard
Keeps Watch
from a Tree.

Agreements and State Constitutions, is the basis on which the Federation of Malaya rests. The signing of the Agreements marked the successful culmination of many months of work by the Law Officers.

THE LEGAL DEPARTMENT.

The authorised establishment of the Legal Department during the year 1948 included the Attorney-General, the Solicitor-General, the Legal Draftsman, the Assistant Legal Draftsman, and 15 Federal Counsel, the latter figure including a leave reserve of three. At the commencement of the year, however, there were only 11 Federal Counsel in the Department, of whom two were on leave. Only ten officers (and, on occasions, only nine) were actually available for duty as Federal Counsel during the year.

Of the available officers, it is necessary that at least six be stationed away from headquarters to act as Legal Advisers to the different States and Settlements as follows: Federal Counsel, Johore, stationed at Johore Bahru; Federal Counsel, Kelantan and Trengganu, stationed at Kuala Trengganu; Federal Counsel, Kedah and Perlis, stationed at Alor Star; Federal Counsel, Negri Sembilan and Malacca, stationed at Seremban; Federal Counsel, Perak, stationed at Ipoh; and Federal Counsel, Penang, stationed at Georgetown. In addition, two Federal Counsel stationed at headquarters in Kuala Lumpur perform the duties of Legal Adviser, Selangor, and Legal Adviser, Pahang.

Since it is not possible to modify the above arrangements, any shortage of staff is suffered at headquarters.

The inauguration of the Federation of Malaya on the 1st February, 1948, was the culmination of many months of work in the Department, but it led to a spate of legal and legislative problems, which still shows no sign of abating. On the legislative side, the Transfer of Powers Ordinance alone, with the Orders made under it, extends to 143 printed pages, and entailed a scrutiny of every Ordinance and Enactment in force in the Federation. On the advisory side the Department has been called upon to deal with a vast amount of work arising directly or indirectly from the new constitutional arrangements.

The outbreak of the Emergency further increased the work of the Department. Emergency Regulations had to be produced at short notice, and the volume of advisory and Court work increased enormously. This has placed a heavy strain on an already heavily pressed Department.

CHAPTER IX.

JUSTICE.

A major re-organisation of the Judicial Department was planned in 1948 and came into operation on the 1st January, 1949. The general conception of the plan was clear, simple and comprehensive. It was proposed to form under the control of the Chief Justice, on a Federal basis, a closely-knit structure which should comprise both branches of the Supreme Court (the Court of Appeal and the High Court), the Sessions Courts and First Class

Re-organisa-
tion of the
Judicial
Department.

Magistrates' Courts. In other words, all the Courts of the country, except Second Class Magistrates' Courts, Kathis' and Sheriah Courts and Penghulu's Courts.

Second Class Magistrates' Courts were excluded from the plan because Second Class Magistrates are Administrative Officers who only function part-time in Court; Kathis' and Sheriah Courts were excluded because they deal only with Muslim Law, and with matters properly kept apart from British conceptions of law or administration; Penghulu's Courts were excluded on the basis of *de minimis* and because their operations can be sufficiently controlled by the Magistrates on appeal.

A Working Committee, appointed by a Conference of His Excellency the Governor of the Malayan Union, Their Highnesses the Rulers of the Malay States and the representatives of the United Malays National Organisation to consider the constitutional proposals for the Federation agreed, on representations made by the Chief Justice, to the following plan :

1. There should be a Federal Judicial Department consisting of the Supreme Court, Sessions Courts (replacing District Courts) and First Class Magistrates' Courts.
2. (a) Sessions Courts should have jurisdiction in criminal cases to try offences punishable with not more than seven years imprisonment, with powers of punishment not exceeding three years imprisonment, fine not exceeding \$2,000 and whipping not exceeding 12 strokes. Their civil jurisdiction to be a maximum of \$1,000.
(b) Presidents of Sessions Courts to be appointed by the High Commissioner of the Federation.
3. (a) First Class Magistrates' Courts to be presided over by full-time Magistrates who would travel on circuit. District Officers and any other officers whose duties require the exercise of First Class Magisterial powers to be appointed *ex officio* First Class Magistrates. First Class Magistrates' Courts should have jurisdiction in criminal cases to try offences punishable with not more than three years imprisonment or punishable with fine only, with powers of punishment not exceeding 12 months imprisonment, fine not exceeding \$1,000 and whipping not exceeding six strokes. Their civil jurisdiction to be a maximum of \$500.
(b) First Class Magistrates, except those gazetted as such *ex officio*, to be appointed by name, in the Settlements by the High Commissioner on the advice of the Chief Justice, and in each Malay State by the Ruler of that State on the advice of the Chief Justice. Full-time First Class Magistrates to be under the control of the Chief Justice.
4. Second Class Magistrates to be Administrative Officers performing part-time judicial functions and to remain under the control of the Executive. They should have jurisdiction in criminal cases, to try offences punishable with not more than 12 months imprisonment or punishable with fine only, with powers of punishment not

exceeding three months imprisonment and fine not exceeding \$250. Their civil jurisdiction to be a maximum of \$250. Second Class Magistrates to be appointed by the High Commissioner, in respect of a Settlement, and by the Ruler of the State, in respect of a Malay State.

This plan received legislative sanction by the Federation of Malaya F. of M. 43/48. Agreement, 1948, and by the Courts Ordinance, 1948, which was passed by the Federal Legislative Council on the 16th December, 1948; gazetted on the 30th December, 1948; and came into force on the 1st January, 1949.

The transfer, for the first time in the history of Malaya, of the administrative control of First Class Magistrates from the Executive to the Head of the Judiciary is a landmark in the judicial progress of this country.

It is part of this plan that a regulated number of First Class Magistrates, who show special aptitude in the exercise of their Magisterial functions, should be sent to England to become barristers in order to be eligible for appointment as Presidents of Sessions Courts or Federal Counsel, and for promotion, in due course, to any Judicial or Legal appointment in the Federation. This is in accordance with the policy laid down in Colonial Office White Paper No. 197 of 1946 entitled "Organisation of the Colonial Service".

In addition to the re-organisation of the Judicial Department brought about by the Federation of Malaya Agreement, 1948, the following changes effected by that Agreement are of interest to the Courts:

Federation of
Malaya Agree-
ment.

First, the Chief Justice and Judges are now appointed by the High Commissioner for and on behalf of His Majesty and Their Highnesses the Rulers, by Letters Patent under the Public Seal. Thus they are appointed by the High Commissioner on a joint delegation to him. This replaces the method of appointment under the Malayan Union Order in Council, 1946, by His Majesty on instructions to the Governor by a Secretary of State.

Secondly, the prerogative of mercy in the two Settlements of Penang and Malacca is exercised by the High Commissioner on behalf of His Majesty, whereas in each State it is vested in the Ruler of that State.

Thirdly, any question involving the meaning, interpretation, construction or effect of any of the provisions of the Federation Agreement, is not left to the Courts to decide. It is to be decided by an Interpretation Tribunal constituted under the Agreement consisting of the Chief Justice as Chairman, and two other members, who shall either be Judges of the Supreme Court or possess the qualifications required by law to be possessed by a Judge of the Supreme Court, one to be appointed by the High Commissioner and one by Their Highnesses the Rulers.

If any such question arises in the course of any proceedings in a Court, the Court must refer it for the decision of the Interpretation Tribunal, and, having obtained a decision, act upon it. The decisions of the Interpretation Tribunal are determined by a majority of its members; they are final and cannot be questioned in any Court.

Legislation.

F. of M. 43/48.
F. of M. 35/48.

The two main legislative measures, apart from Emergency Regulations to which reference is made later, affecting the Courts are the Courts Ordinance, 1948, and the Rule Committee Ordinance, 1948. Reference has already been made to the former, and it is only necessary to draw attention to the fact that although the Attorney-General, as Public Prosecutor, has a right of appeal against an acquittal in a criminal case on a point of law which he considers should be determined by the Court of Appeal, the Court is empowered to review the case, or the relevant part of it, and deliver a declaratory judgment. Such a judgment will not operate to reverse the acquittal, but will be binding as an authority on the point of law decided to the same extent as an ordinary judgment of the Court.

F. of M. 35/48.

The Rule Committee Ordinance, 1948, enables Rules to be made governing the practice and procedure to be followed in the Supreme Court, Sessions Courts and Magistrates' Courts. Formerly, Rules could only be made regulating the practice and procedure in civil matters in the Supreme Court. This Ordinance gives power to establish two Rule Committees—one to make Rules for the Sessions Courts and Magistrates' Courts. Any Rules made by the latter Committee must be confirmed by the Rule Committee appointed for the Supreme Court before they can become effective.

The Emer-
gency.
F. of M. 10/48.

A state of emergency was proclaimed on 12th July, 1948, under the Emergency Regulations Ordinance, 1948. That Ordinance provides, *inter alia*, that regulations can be made making special provision in respect of procedure in civil or criminal cases and of the law regulating evidence, proof and civil and criminal liability.

Government decided it was necessary to shorten, as far as is consistent with justice, the time which elapses between the arrest of a person alleged to have committed an emergency offence and his subsequent punishment, if convicted. The two main emergency offences are :

- (a) carrying or being in possession of unlicensed firearms, or ammunition or explosives without a licence ; and
- (b) consorting with another person who is carrying or who is in possession of an unlicensed firearm, or ammunition or explosives without lawful authority.

G.N. 1961/48.

In order to implement that decision of Government the Emergency (Criminal Trials) Regulations, 1948, came into operation on the 19th July, 1948. The main provisions of those Regulations relating to the more expeditious despatch of emergency cases are :

- (a) Dispensing with preliminary enquiries. An accused is committed to stand his trial in the High Court without the committing Magistrate recording any evidence. The accused is made aware of what the case against him in the High Court will be, because the prosecution must supply him with copies of all statements of witnesses taken in the police investigation at least two days before the commencement of his trial.
- (b) If the accused is convicted in an emergency case the trial Judge must ask him at the end of the trial whether he wishes to appeal or not. If the reply is in the affirmative, it operates as an oral notice of appeal, and thereupon the Court can arrange for the typing of the record

for the Court of Appeal at once thereby saving time. If the reply is in the negative, it does not deprive the convicted person of his right of appeal within the normal statutory period.

- (c) Assizes and Courts of Appeal for hearing criminal appeals sit continuously.

Provision is also made by these Regulations for the trial of emergency cases *in camera* because a state of circumstances exists in the Federation in which witnesses for the prosecution are afraid to give evidence in open Court against bandits on trial for carrying firearms, etc., for fear that these witnesses, or their relatives, may be killed by the person being tried, if he is acquitted, or by his confederates, if he is convicted. This security measure has proved valuable in bringing to justice guilty men who would otherwise have escaped because of witnesses being afraid to testify against them.

(a) Court of Appeal :

Statistics.

(i) Criminal—One hundred and fifty-five criminal appeals were heard relating to 212 persons compared with 155 criminal appeals relating to 255 persons in 1947. Eighty-two appeals against death sentences were dismissed and thirteen were allowed compared with 52 dismissed and 22 allowed in 1947. Three such appeals were pending at the end of the year.

(ii) Civil—Forty-two civil appeals were entertained compared with 26 in 1947. At the end of the year fifteen civil appeals were pending and six of these were disposed of early in January, 1949.

(b) High Court :

(i) Criminal—Five hundred and fifty-one cases involving 844 persons and 1,024 charges were decided, resulting in 141 discharges, 185 acquittals, 694 convictions, and four were remitted or transferred to other Courts. This is a slight decrease on 1947 and is accounted for by the fact that general crime has shown a decrease, but emergency cases have kept the figures up to the 1947 level.

(ii) Civil—Five hundred and four civil suits were disposed of, more than twice the number in 1947. Two thousand five hundred and fifty-eight grants of Probate and Letters of Administration were made and three hundred and eleven grants were re-sealed. The figures for 1947 were 2,796 and 427 respectively. Miscellaneous Applications in Chambers were one thousand six hundred and thirty-nine as compared with 1,531 in 1947. Seventeen Bankruptcy Petitions were filed, sixty-one Bankruptcy Notices were issued, and twelve Receiving Orders were made; the comparative figures in 1947 were seven, ten and two respectively. These low figures are a good index of the general prosperity of the middle classes of the local population.

(c) District Courts :

- (i) Criminal—Eight thousand seven hundred and twenty-seven criminal cases were decided, 10,950 persons being charged in respect of 11,848 charges. Convictions were recorded on 8,352 charges. These figures show a slight decrease on 1947.
- (ii) Civil—Nine hundred and sixty-three civil cases were disposed of compared with 732 in 1947.

(d) Magistrates' Courts :

- (i) Criminal—Seventy-six thousand four hundred and seven criminal cases were decided, 92,320 persons being charged in respect of 97,003 charges. Convictions were recorded on 80,185 charges. These figures are practically the same as in 1947.
- (ii) Civil—Three thousand four hundred and ninety-four civil suits were disposed of compared with 1,991 in 1947.

(e) Inquests and Enquiries into Deaths :

There were one thousand seven hundred and thirty-six inquests and enquiries into deaths compared with 1,670 in 1947. There was no death due to starvation.

(f) Revenue :

(to nearest dollar)—

		1948.		1947.
		\$		\$
Supreme Court	.. ..	141,892	..	123,940
District Courts	.. ..	449,084	..	959,465
Magistrates' Courts	.. ..	1,038,333	..	1,230,995
Total	.. ..	1,629,309	..	2,314,400

The large diminution in the revenue in District Courts is due to the cessation of prosecutions under the Food and Price Control Legislation, which brought in a large amount of revenue in fines in 1947.

CHAPTER X.

*POLICE.**Personnel.*

On 31st December, 1947, the total number of persons employed by the Police Force was approximately 11,500 of whom 9,422 were Peace Officers. In December, 1948, these figures were 17,526 of whom 16,459 were Peace Officers, the balance consisting of clerical and miscellaneous appointments and Open Vote subordinates.

The figures of the various ranks are as follows : Gazetted Officers 253; British Inspectors 23; Asiatic Inspectors 231; British Sergeants 500; Uniformed Rank and File—Malays 9,764; Indians 1,136; Detectives 693; Marine Police 132; Veterinary Police Constables 113; Extra Police Constables 3,623. In addition a total of 29,734 Special Constables have been recruited since the Emergency Declaration, for the protection of Estates and the guarding of vulnerable points.

Administration.

During the year under review, the appointment of Director, Criminal Investigation Department, was changed to that of Deputy Commissioner, Criminal Investigation Department. The following Gazetted appointments were made : 3 Assistant Commissioners; 17 Superintendents; 113 Assistant Superintendents. Non-Gazetted appointments: 20 British Inspectors; 40 Asiatic Inspectors; 500 British Sergeants.

Organisation.

With the vastly increased work and the extension and re-equipment of the Police Force, several new branches have been created in Headquarters. Personnel Branch under an Assistant Commissioner has taken over all Personnel Records. The post of Adjutant, Headquarters, has now been abolished. A "Q" Branch has been formed and deals with supplies, arms, ammunition and equipment, etc., for the Force. A Signals Section has been formed under the command of a Superintendent. This section organises the Federation network of wireless and teleprinters consisting of a 24-hour service to all Contingent Headquarters with over 40 stations on the static network. In addition there are 40 mobile units, which figure will shortly be increased to 80. Teleprinter links now number 10 connecting all States to Headquarters. A "Special Branch" which deals with Operations, Press Liaison and Political Intelligence, is now operating under the Deputy Commissioner, Criminal Investigation Department.

A third Police Depot was opened at Tanjong Rambutan in July to accommodate the increased establishment of the Police Force. The Transport Section has been greatly extended during the year and the total strength in vehicles is now approximately 1,400 with more on order. The changeover from the overworked British Military Administration inherited vehicles to more modern types is almost completed, and each State now has a Transport Section controlled from Headquarters, Kuala Lumpur.

Special Constabulary.

Recruited for the protection of the Estates and Mines, this Force has rapidly grown into an important and vital factor in the war against terrorism. Its strength at the end of 1948 was 28,719 and by then many of the administrative problems involved in the necessarily hasty recruitment, had been resolved.

Originally trained by the Planters and Miners with the aid of the Police and Military, the Specials were incorporated into the Police Force in October, and their training was taken over by 500 British Sergeants, who had been specially recruited and sent out from England for this purpose. The presence of Specials on the Estates and Mines has resulted in a marked reduction in the number of successful attacks on life and property.

Auxiliary Police.

This Force is voluntary and unpaid, but by its existence, many regular Policemen have been released for operational duties. Mainly composed of kampong guards and the European Managers and their Assistants on Estates and Mines, the Auxiliaries now number

about 17,000. Included in these figures are the volunteers who perform nominal Police duties, such as the guarding of vulnerable points and station work generally. Their services have been greatly appreciated by the regular Police Force.

CRIMINAL INVESTIGATION DEPARTMENT.

Until August, 1948, the Criminal Investigation Department was responsible for the control and combating of "criminal" activities, while the Malayan Security Service was responsible directly to Government for Political Information and Intelligence. In August, 1948, a Special Branch of the Police under the Deputy Commissioner of Police, Criminal Investigation Department, was created which assumed the duties previously undertaken by the Malayan Security Service. Whereas, the Malayan Security Service had been Pan-Malayan, the Special Branch became a branch of the Criminal Investigation Department of the Federation and a similar branch has been created in the Singapore Police. In Criminal Investigation Department matters and in Special Branch matters, the closest possible liaison exists between the two forces.

Serious Violent Crime.

The Malayan Police, prior to August, 1948, was an organisation formed for the suppression of non-political crime. Its efficiency as such may be gauged by the fact that non-political murders had been reduced from 76 incidents reported in the month of January, 1946, to 13 incidents reported in the month of April, 1948. There had been two low records in January and March, 1948, in each of which months only seven murders, political and non-political, were recorded. The totals of all murder incidents for the last three years are 1946—421; 1947—220; 1948—470. Gang-robberies with firearms had been reduced from 108 incidents in January, 1946, to 13 incidents in December, 1948, of which four had a political background. The totals are 1946—853; 1947—290; 1948—217. Gang-robberies without firearms had decreased from 41 in January, 1946, to 1 in December, 1948. Robberies with firearms had been reduced from 91 incidents in March, 1946, to 12 incidents of which 3 were of a non-political nature in November, 1948, although there was a rise to 22 incidents in December, 1948. The yearly totals are 1946—764; 1947—459; 1948—186. Gang-robberies without firearms fell from 262 in 1946, to 98 in 1947, to 30 in 1948. Robberies without firearms declined from 302 in 1946, to 234 in 1947, to 169 in 1948.

Extortion.

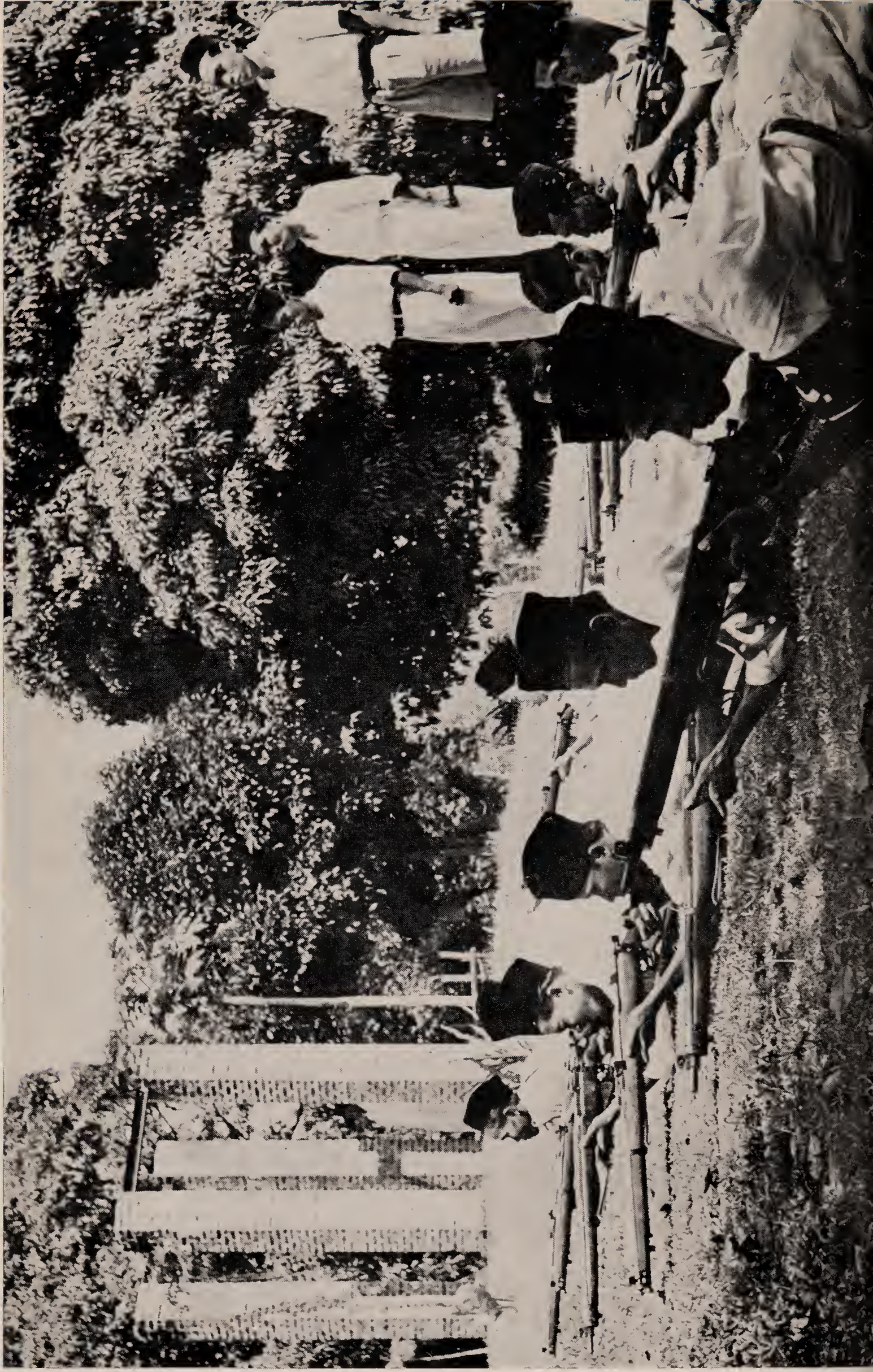
It is suggested that the recorded figures for extortion bear little relation to the actual extortion which was prevalent. Asians of all races were passively submitting to the payment of money whether to persons connected with the bandits or to persons masquerading as bandit agents.

Piracy.

Whereas in 1947, piracy presented a very real problem the provision of a fleet of launches and the assistance afforded by the Royal Navy and the Royal Air Force reduced this problem to a negligible one and after four clear months, there was one reported piracy in November and two reported piracies in December.

Security Forces Operating in Secondary Jungle.





Special Constables at
Arms Drill.

Secret Societies.

The influence of Secret Societies, especially those of "Triad Ritual", existed throughout the country. They were on the whole quiescent compared with 1947, but peace and order and the rule of justice, according to British ideals, cannot be established until their evil influences have been liquidated. A specialised branch is being created to do this.

Minor Crime.

This was kept under control during the year. House-breakings of all kinds show totals in 1946—4,613; in 1947—3,544; in 1948—2,390. Theft of all kinds in 1946—12,645; in 1947—10,046; in 1948—7,561.

Arms and Ammunition Record.

During the year, the following were recovered :

Revolvers—172; Pistols—156; Rifles—2,667; Shotguns—130; Stengun and Automatics—82; Home-made guns—35; Grenades 1,866 and 216,301 rounds of assorted ammunition.

Numerous serviceable and unserviceable arms, detonators, and bombs were recovered.

Police Arms.

At the beginning of the year the Police were mainly armed with Rifles and Revolvers, with a very small number of Stenguns and Carbines. To-day the Force is well-equipped with Stens and a fair percentage of Brenguns. Carbines are in more general use. The type of rifle has been modernised, those replaced being allocated to the Special Constables.

Police Welfare.

Police Welfare is now the responsibility of the Commandant, Police Depôts, but each Contingent has a comparative latitude in the disbursement of the welfare money allotted to it. During the year the emphasis has been on the rehabilitation of Canteens and Recreation rooms, and the replacement of Sports equipment. There has been an exclusive issue of Radio receivers, and most of the Police Stations and Barracks in the Federation are now equipped with Radio sets.

The Emergency has dealt a severe blow to most forms of Sport, but in some Contingents it has been possible to enter a few teams for local hockey and football competitions. Badminton still remains the most popular form of sport, and is played in most of the Federation's Police Stations.

Honours and Awards to Members of the Police Force.

King's Police Medal for Distinguished Service—3; Colonial Police Medal for Gallantry—7; For Meritorious Service—6.

Three Special Constables were awarded the Colonial Police Medal for Gallantry. Two British Sergeants received Special Recommendations for Gallantry and Devotion to Duty. Forty-five Special Constables received monetary awards for good service.

Casualties.

In the course of the year the following casualties were sustained :

Killed—

2 Gazetted Police Officers.
2 Superior Police Officers.
44 Rank and File.
3 British Sergeants.
36 Special Constables.

Wounded—

3 Gazetted Police Officers.
3 Superior Police Officers.
83 Rank and File.
5 British Sergeants.
55 Special Constables.

PENAL ADMINISTRATION.

There are 15 prisons in the Federation of Malaya but emergency conditions and consequent overcrowding have made it impossible to classify any particular number as Convict Prisons solely: it is ultimately intended to classify five of the number as Convict Prisons which will house all prisoners serving long sentence.

Estimates of costs of building are still prohibitive but limited new building has been carried out, and there has been considerable rehabilitation of the prisons at Kuala Lumpur, Taiping and Batu Gajah; this work has included the construction of permanent sentry-towers, provision of internal and external alarm systems, a new school building, a recreation yard and general improvement of electrical facilities. Greater prison security has resulted from these measures.

The daily average number of prisoners for 1947 was 3,497 and for 1948 4,651; emergency conditions were responsible for this increase and whereas the number of persons in prisons at the beginning of the year was 3,655, the total at the end of the year had risen to 5,703.

Crime amongst women was almost negligible and this year has shown a decrease in numbers of women held over the 1947 figures; a considerable number of women have, however, been held under the Emergency Regulations.

The female prison staff consists of 9 Matrons and 10 Wardresses out of a total staff strength of 885.

Arrangements for dealing with Juvenile delinquents were as in 1947 and the Muar Prison in Johore continued to be used as a reception and training centre for delinquent youths. Young offenders sentenced to gaol were transferred to Muar on warrants signed by the Commissioner of Prisons. The Juvenile Courts Ordinance of 1947 has not yet been enforced. Seventy-eight persons under 16 years of age were committed to prison.

Vocational training continued in prison workshops; printing, book-binding, tailoring, mat-making and carpentry being the main industries; there was a better supply of tools and materials during the year and instructors were available in the larger prisons.

Prior to the Emergency, cinema shows were given in many prisons and recreational and physical training was about to start; extreme conditions of overcrowding made it necessary to stop the shows and abandon any physical training project as all available space was utilised to house persons detained under the Emergency Regulations; with the construction of more Detention Camps and the consequent removal of detainees it is hoped that these facilities will soon be available again.

Libraries are gradually building up and assistance has been rendered in this connection by the Department of Social Welfare and the Women's Service League and by various local societies. The Department of Social Welfare has also helped with after-care of discharged prisoners and by visiting and helping the families of those serving sentences.

Prisoners Aid Societies have helped discharged prisoners financially and by obtaining work and in some cases by the provision of tools.

CHAPTER XI.

PUBLIC UTILITIES.

Electricity.

The year 1948 was again a period of exceptional difficulty for the Department of Electricity due to the continued shortage of generating capacity at most undertakings and the acute shortage of senior staff. Public demand for electricity from all classes of consumers continued to increase and though it was possible to meet a large percentage of the applications received for domestic lighting and power, only a very small proportion of the demand for power from Industrial and Mining consumers could be satisfied. Much time and energy had to be applied to securing the maximum possible restriction of demand at peak load periods in view of the shortage of available generating plant capacity, in contrast to the encouragement in normal times of the public to use more electricity.

It is satisfactory to record that during the year the total number of units generated and purchased by the Department of Electricity amounted to 123,957,654, an increase of 21,404,417 units on the previous year. This overall increase is attributed to the considerable amount of rehabilitation work completed during the year and also, in a small way, to the installation of new Diesel operated generating sets in various small towns. Although it is impossible to meet the heavy demands for Industrial power in Selangor, especially from Tin Mining Companies, until the new Connaught Bridge Steam Power Station is in commission, it is interesting to note that the total number of units sold to the tin mining industry in Selangor was 36,176,786 which is nearly 26 per cent. higher than the previous year and represents approximately 50 per cent. of the total units sold in Kuala Lumpur district.

Increases in salaries, wages and cost of fuel oil were responsible for higher operating costs during the year and as a result some of the smaller undertakings operated at a loss. The performance of some of these stations was severely handicapped by the non-arrival of spare parts from England and much improvising, "cannibalising" and making of parts locally was necessary to maintain continuity of supply.

During the year twenty new Diesel engine driven generating sets ranging from 22 K.W. to 100 K.W. ordered in 1945 were received; they were all installed and running by the end of the year. There were a total of seventy-eight of these sets, amounting to 9,634 K.W. generator capacity, operating in widely scattered undertakings throughout the Federation.

Two private electricity supply undertakings were purchased by Government during the year, one was the undertaking at Malacca, which had been operated since the liberation by the Department of Electricity under a rental agreement with the Malacca Electric Lighting Co. Ltd., until it was purchased by Government in July, 1948. The other undertaking was at Sitiawan where the Sitiawan Electric Light Co. had given a supply to the town until the power station was burnt down by rioters in 1945. Since the Company's licence had expired the Government purchased the partially-rehabilitated installation in March, 1948, and after further rehabilitation and the installation of a new 50 K.W. Diesel driven generator set, public supply was restored in April.

The Department of Electricity was responsible for the maintenance of wiring and fitting in Government quarters and buildings in all towns and villages having a supply of electricity throughout the Federation, including numerous small towns supplied by private companies. A considerable amount of new work which had been planned for 1948 had to be postponed due to lack of funds but much was achieved to restore existing installations to pre-war standard in scale and efficiency. During the year approximately 30,000 points were installed in Government quarters and buildings in the whole of the Federation.

The arrival of large supplies of house service meters from the United Kingdom during the year was most welcome, and enabled the Department of Electricity to meter most of the consumers previously charged on a flat rate based on connected load. This system is susceptible to abuse unless controlled by efficient current limiting devices.

New Projects.

There was considerable progress made in connection with the new Connaught Bridge Steam Power Station project at Klang and the Consulting Engineers have prepared specifications and placed orders through the Crown Agents for plant and equipment; whilst the planning of the civil works is approaching completion and tenders have already been invited for the construction of the main building foundations.

The construction of staff quarters, approach roads, water works, temporary substation and other minor works is well in hand, as well as a number of important projects for the construction of overhead transmission lines varying in length from 15 to 100 miles. Little progress was possible during the year due to delays in delivery of materials from the United Kingdom, and also to some extent to bandit activity which stopped the survey work on several projects.

Hydro-Electric Investigations.

The report from the Consulting Engineers, whose hydro-electric expert visited Malaya in December, 1947, was received during 1948. The report was in three parts and covered three separate hydro-electric schemes, viz.:

- (1) The main Cameron Highland Hydro-Electric Development in two stages, with estimated capacities of 40,000 K.W. and 60,000 K.W. respectively.

- (2) The Robinson Falls Scheme, with an estimated capacity of 800-1,000 K.W. for local distribution in the Cameron Highlands area.
- (3) The Trantum River Scheme, with an estimated capacity of 700 K.W. for supply to Fraser's Hill, Raub, and small villages in that area.

All three schemes were favourable and showed that the schemes were financially sound. They are now under consideration by Government.

The hydro-electric engineer who was engaged in 1947 and posted at Cameron Highlands continued investigations of possible dam sites, storage lakes and of river flow and other data. These investigations, were, however, badly hampered by bandit activity during the second half of the year.

All Electricity Departmental "Kilat" Clubs were active during the year throughout the country and in Kuala Lumpur the Kilat Club won the championship of the Division III South in the Selangor Football League. Proposals have been put forward to hold a combined sports meeting in Kuala Lumpur some time next year.

Drainage and Irrigation.

The Department of Drainage and Irrigation has continued to give priority to works for the promotion of increased rice production and with an improved position in respect of staff and plant has been able to make good progress on schemes under construction.

The Tanjong Karang Irrigation Scheme in Selangor covering some 50,500 acres is the most important new development project and construction work is now approaching the closing stages. Good progress continues to be made on development of the land and a further 1,300 colonists have been settled in the area. Some 44,000 acres are now occupied and about 35,000 planted for the current season.

With the arrival of further earthmoving plant, work on the Kubang Pasu Irrigation Scheme in North Kedah is now well under way. This is the largest project so far undertaken and will provide controlled irrigation and drainage for nearly 100,000 acres of which 80,000 acres is existing padi land and the remainder new development. The scheme provides for improvement of the existing drainage, flood control and the maximum available supply of water for irrigation and is expected to result in a considerable increase in yields.

Further progress has also been made on the Sungei Manik Scheme in Perak and the Endau and Kahang schemes in Johore, and in addition considerable improvement work has been carried out for small areas throughout the Federation. In all about 237,500 acres are now provided with good irrigation and drainage facilities and works in progress cover a further 125,000 acres of existing padi land and 65,000 acres of new development. Since the Drainage and Irrigation Department was formed in 1932 just on 100,000 acres of new land has been made available and is now largely under cultivation. Of this area approximately 30,000 acres have been developed since the liberation.

New construction on Land Drainage Works other than for rice cultivation continued on the Senggarang and Sri Menanti projects covering some 75,000 acres of coconut and kampong lands in Johore. With four excavators at work throughout the year better progress has been made. Investigations have also been in progress for further work in the Johore West Coast area and for the Durian Sebatang Scheme in Lower Perak.

Favourable weather conditions have made possible better progress on river conservancy work than was anticipated. An extensive programme of river clearing aimed at making up for the neglect of the war years was carried out. A Suction Cutter Dredger was engaged on dredging the lower reaches of the Batang Padang River in Lower Perak where serious silting up has occurred.

In January and February, Johore experienced extremely heavy floods and road and railway traffic was dislocated for some days. A minor flood was also experienced in the Pahang River Valley during November resulting in some damage to the rice crop. Rain-fall in December was much below average throughout the country. Rice crops in the rain-fed areas, particularly Kedah and Province Wellesley, have suffered from drought conditions and yields are expected to be considerably lower than for the previous season.

BUILDINGS.

Maintenance.

Under the new Constitution, the maintenance of buildings attached to Federal Departments, i.e., Police, Prisons, Postal, Telecommunications, Immigration, Customs, etc., became properly a charge against Federal funds, but it was not possible to provide such funds in the 1948 Federal Estimates and the maintenance of these buildings therefore continued to be a charge against the appropriate vote in the respective State/Settlement Estimates. The value of all State and Federal buildings maintained by the Public Works Department throughout the Federation is recorded at \$148 millions. The total expenditure for the year from maintenance funds was \$7,012,000 or 4.7 per cent. of the valuation.

In all States the experience was that the funds voted towards reconditioning of buildings badly neglected during the Japanese occupation were inadequate to put such buildings into reasonable condition. The need for strict economy was however stressed by Government, which was forced to issue instructions that routine painting should again be deferred. In a country where the tropical sun and high humidity play such a large part in the deterioration of timber structures, this policy of delaying necessary protective painting, if continued, will only result in a considerably greater expenditure later on.

New Buildings.

In the Federal Estimates provision was made for 60 new building services but for financial reasons the majority of the items were reserved so that it was impossible to proceed with the programme of design and construction until these reserved services had been

individually approved for action. The delay caused by this procedure, however, was more than counterbalanced by the spate of supplementary services approved by Government.

More than 40 Special Warrants were issued covering services the estimated costs of which totalled \$4,100,000. Additional to all the finally approved items covered by the foregoing paragraphs, was the enormous amount of building work, generally of a temporary character, caused by the emergency. These works included the provision of accommodation for the largely expanded Police Force, the protection of Police Stations from terrorists' attack, and the rapid construction of Detention Camps to house persons suspected of being concerned in the terrorists' movement.

The largest of these Detention Camps was built near Malacca and cost over \$800,000 and two other camps situated in Johore were also quickly built and made available, at a cost of over \$600,000.

In Kedah barrack accommodation for 135 bachelor policemen was constructed and married barracks for 60 rank and file were built in various parts of the State.

In Kelantan one Class VIII quarters for the Police, a guard room for the Mentri Besar, and Meteorological quarters at the airport were completed and good progress was made in the construction of new barracks for both prison warders and policemen in Kota Bahru.

Works at Malacca included structural additions and alterations to the Prison, extension to the dining room at the Malay Women's Training College, and 75 per cent. of the work in building of quarters for Police Inspectors.

In Pahang the major expenditure on Federal works was connected with the emergency and a sum of \$227,247 was spent on accommodation for 331 additional Police, a camp for the Malay Regiment at Kuala Lipis, and accommodation for other units of the Malay Regiment at Bentong, Kuantan, Jerantut and Mentakab.

In Perak temporary barracks were constructed for 200 Police in Ipoh and many others in various parts of the State. The work on the security measures in Taiping Prison continued throughout the year and a new class room for the education of prisoners was built inside the Prison. Police Stations were constructed at Bota, Tronoh Mines, Langkap and Slim Village. At the Ipoh airport a new Control Tower with Airways' Operating Office and a small Restaurant was completed.

In Selangor, as with other States, the emergency occupied much of the attention of the Public Works Department and \$350,000 was spent in security services, including the provision of accommodation for Policemen, protection of Police Stations and other vital points. A great deal of work was also done to increase accommodation and security at Kuala Lumpur Prison.

Much assistance was also given in Selangor, as in other States, to construction works on behalf of the Military Authorities. These works are neither Federal nor State, but are done against allocations of funds provided by the Military, and the Chief Engineer has recorded his great appreciation of the assistance without which it would have been impossible to get the accommodation ready for the additional security troops which arrived in Malaya.

The total expenditure of the Public Works Department on account of these Military works was in the region of \$600,000.

Federal new building works in Trengganu were principally confined to emergency accommodation for the expanded Police Force, and Barracks for 75 constables were built at Kuala Trengganu, for 25 constables at Kemaman and an annexe for four Police Officers was built at Kuala Dungun. The new Police Station at Sebrang Takir was also completed.

Quarters.

Throughout the Federation the provision of quarters for Government senior officers and subordinates was the responsibility of the respective State and Settlement Governments. In addition to the Departmental accommodation detailed in the foregoing paragraphs approximately 320 quarters, ranging from Class V to Class X were completed. The largest share was in Selangor, where 35 Class V, 92 Class VIII, 2 Class IX and 52 Class X, were completed and 112 others of various classes were under construction.

Water Supplies.

All supply services throughout the Federation come under the control of the respective State and Settlement Governments although in 1949 and possibly in future years funds for the necessary extensions to these supplies may continue to be provided for in the Federal Estimates.

Extensions, operation and maintenance of the supplies will however remain as State functions.

Opportunity is taken to record the serious situation in regard to practically all the piped water supplies throughout the Federation. The heavy increase in the population, as determined by the recent census, the development of industries and the long overdue installation of water borne sewage systems, now almost non-existent, demand the earliest possible attention to the location, design and installation of additional water supplies. In the majority of the 102 water supplies maintained by the P.W.D. throughout the Federation, the installations have been restored to their former high standard, and they are now operating to the maximum capacity.

Johore.

As a consequence of an intensive anti-waste campaign coupled with an increase in water charges, the revenue from the sale of water rose from \$335,000 in 1946, \$488,500 in 1947 to \$677,000 in 1948.

At Kluang a 600,000 gallon R.C. storage tank was completed during the year at a cost of \$80,000.

Kedah.

Additional pumping machinery was ordered for the Alor Star water service and it is hoped that the output will be two million gallons per day when this equipment is installed. The State Government has urged that investigations be carried out for increasing the water supplies throughout Kedah but no Engineer was available to do this.

Kelantan.

Extensions to the supply at Kota Bharu included a new well, enlarging the pump house, and erection of two elevated steel tanks of 25,000 and 12,000 gallons respectively at Kota Bharu and Kuala Krai. The small water installation at Pengkalan Chepa Camp was maintained and is the only Federal water supply throughout the Federation.

Malacca.

Only two small supplies, Alor Gajah and Jasin, are maintained by the P.W.D. and the latter draws bulk supply of untreated water from the Malacca Municipality and this Department is only concerned with the treatment and distribution.

Negri Sembilan.

At Pedas Headworks, which supplies water to Port Dickson, Rembau and the Coast, the rapid gravity filters were reconditioned and the filtering medium was renewed.

Chloronomes were installed at Seremban, Rembau and the Coast, Tampin, Gemas and Kuala Pilah supplies. The scheme for augmenting the supply to Seremban was drawn out and it is expected to place orders for the necessary new mains in 1949.

In Seremban as in other places, where compulsory restriction is necessary owing to inadequate supply, the employment of a large number of turn-cocks to effect this restriction is an expensive matter, their wages alone amounting to \$10,000 per year.

Penang.

The supply at Bukit Mertajam suffered heavily as a consequence of exceptionally dry weather and rationing of water was compulsory for long periods throughout the year. Various sources have been investigated for a new area supply in the North of Province Wellesley and a general scheme prepared. This scheme will also serve to augment the supply to Butterworth which has been seriously short of water for a long time.

Perak.

In the Kinta water supply, the 49 pressure filters were thoroughly overhauled and other improvements were made at this filtration plant. The Meter Workshop at Ipoh was extensively engaged throughout the year; 3,006 meters were repaired and 3,413 meters were issued for service connections. Investigations for new supplies at Grik, Bidor and Kuala Kangsar, among other places were completed and plans drawn up.

Pahang.

Work commenced on the new pumped water supply for Raub which has for many years suffered severely from its old and inadequate supply and by the end of 1949 it is hoped that the new installation will be running. Investigations for a new water installation for Pekan were also well in hand.

Selangor.

Work on the \$4 million scheme for increasing the supply to Klang, Port Swettenham and the coastal area was continued. Storage was increased at the Subang Reservoir and the new main from Klang to Port Swettenham was laid. A new service reservoir at Klang and extension and renewal of the mains in the coastal area are yet to be done. For the proposed extensions of the Kuala Lumpur water supply, investigations were continued at Klang Gates to determine if the gorge at this point is a suitable site for construction of a high impounding dam. Kuala Lumpur still remains dependent on a supply of $10\frac{1}{2}$ million gallons per day which during a drought period would be reduced to $6\frac{3}{4}$ million gallons. As the population is already approaching 200,000, this quantity is obviously inadequate for a town which is contemplating the installation of a complete water-borne sewerage scheme.

Trengganu.

Trengganu remains unique in being the only State within the Federation having no piped water supply whatsoever. The capital town of Kuala Trengganu has long needed a proper water service and a tentative scheme has been drafted for pumping from the Trengganu River to a service reservoir on Bukit Kechil. Funds are not available yet from either Federal or State sources to implement the scheme.

Sewerage.

Throughout the Federation the Municipality of Penang is the only area in which there is any water-borne sewerage system. Investigations were continued in respect of the proposed scheme for Kuala Lumpur and a comprehensive report was taken to England by the Engineer who has prepared the proposed scheme for submission to Specialist Consulting Engineers.

Requests have been received for investigations to be made in regard to other large towns throughout the Federation but lack of staff has prevented any work in this direction and, as mentioned in earlier paragraphs, the augmentation of water supplies will be an essential preliminary to any water-borne sewerage schemes.

Airfields.

Under the new Constitution the Department of Civil Aviation became a Federal Department and the maintenance of airfields continued to be carried out by the P.W.D. from funds allocated by the Director of Civil Aviation. Special services, however, in connection with improvements or additions to airfields were entered in the Estimates under the Heading of Public Works Extraordinary, though a majority of these items were reserved and only in respect of the few which were eventually permitted to proceed was any progress possible.

Johore.

In Johore maintenance of the runway at Kluang was carried out at a cost of \$14,863 and the runway was subsequently tested for use by Dakota aircraft and found satisfactory except immediately after heavy rain. Airstrips to take light Auster aircraft were

constructed for the Military at Muar and Segamat and cost \$14,000 and \$16,000 respectively. These Auster strips do not come under the control of the Department of Civil Aviation.

Kelantan.

In Kelantan the two airfields at Pengkalan Chepa and Gong Kedah were both maintained, the expenditure totalling \$18,913 and at no time during the year were these runways out of commission. A concrete parking area was constructed at Pengkalan Chepa to replace the old grass area which was badly affected by the increased air traffic due to the Emergency. It is interesting to record that a Jet-Fighter plane gave two displays from Pengkalan Chepa and the pilot experienced no difficulty in landing or taking off the runway of 1,628 yards being available for the purpose.

Kedah.

In Kedah the airport at Kepala Batas was maintained at an expenditure of \$13,582 and the 1,000 yards runway was completely rehabilitated and seal coated. A Control Tower and Signal Square were constructed for the Civil Aviation Department.

Malacca.

In Malacca maintenance was continued on the runway at Batu Berendam, the expenditure being \$6,825. The airstrip carried increased traffic due to the Emergency.

Negri Sembilan.

In Negri Sembilan a new Auster strip was built at the Malay Regiment Camp, Port Dickson, from funds provided from Military sources.

Pahang.

The principal airfield in Pahang is that at Kuantan which is capable of taking Dakota aircraft. The two grass runways were maintained to fair weather "Dakota" standards but it is unlikely that this airfield can attain an all weather use until heavy expenditure has been incurred on rehabilitating the underground drainage system. Expenditure on maintenance was \$10,784. Funds for the drainage work were not available. Some small buildings were provided at this airfield for an expenditure of approximately \$5,000. The subsidiary airstrip at Benta, 15 miles from Kuala Lipis, was partly constructed by the Japanese and consisted of one cleared area approximately 700 yards long. It had been decided after the liberation not to acquire this landing ground which was on land belonging to a Rubber Estate, but at the outbreak of the Emergency the strip was needed for landing of light aircraft. Instructions were therefore given in July to rehabilitate it with all possible speed. Within three days a strip 600 yards long had been put into order and, a landing strip of 750 yards with overruns at each end was made available.

Perak.

In Perak there are three airfields under the control of the Department of Civil Aviation, i.e., at Ipoh, Taiping and Sitiawan. The surface of the runway at Ipoh was being surfaced with bitumen at

the end of the year at an estimated cost of approximately \$100,000. A new Control Tower was also built at Ipoh. Maintenance work was continued at the Taiping and Sitiawan aerodromes. Total maintenance expenditure in the State was \$62,328.

Penang.

For the runway at Bayan Lepas in Penang a sum of \$70,000 was provided for extensions at the South-West end and work was well in hand at the end of the year. General maintenance at a cost of \$37,174 was carried out at the airport generally and, after the receipt of mechanical grass cutters, the labour force formerly employed in grass cutting by hand was reduced.

Selangor.

In Selangor there was a heavy load of air traffic on the aerodrome at Kuala Lumpur, where the runway and adjacent ground were well maintained despite the traffic arising from the Emergency, which caused rapid initial disintegration of the laterite surfacing. It was finally decided that a premix carpet coat was the only satisfactory solution. The cost of this treatment was estimated at \$170,000 and preparations were made to put it in hand towards the end of December. Unfortunately the proper plant for doing this job was not available as the Asphalt Mixing Plant ordered two years ago had not arrived from the Crown Agents, and the makeshift arrangements improvised by the Municipal Engineer for dealing with this large area displayed considerable ingenuity and deserves full credit.

In Selangor an Auster airstrip was also constructed at Kuala Kubu for military use.

Trengganu.

In the State of Trengganu there are no airfields but the first steps were taken for location of a possible site for a landing strip in the region of the capital town of Kuala Trengganu. A site was inspected in conjunction with the Air Officer Commanding, Far East, on a sandy rise lying about three miles north of the town and a report was submitted for the consideration of the Air Authorities. No further development had taken place in regard to this project by the end of the year.

Broadcasting.

Programmes were broadcast by Radio Malaya daily from Stations at Penang, Kuala Lumpur, Seremban, Malacca and Singapore in the Malay, Chinese, English and Tamil languages. The average number of hours per day allotted to each language was Malay 3 hours, Chinese 4 hours, English 7½ hours and Tamil 2¾ hours.

The Chinese programmes were broadcast in the Mandarin, Cantonese, Hokkien and Kheh dialects.

Details of the approximate proportion of broadcasting time allocated to the various types of programme in each language are in the case of the Singapore Station :

				News.		Talks.		Entertainment.
Malay	..	..	..	15%	..	10%	..	75%
Chinese	..	..	..	18%	..	10%	..	72%
English	..	..	..	10%	..	6%	..	84%
Tamil	..	..	..	18%	..	10%	..	72%

The licence fee for a radio receiver is \$12 (£1.8s.) per annum. Twenty-two thousand four hundred and forty-three receiver licences were taken out or renewed during the year in the Federation, producing a revenue of \$285,758. This amount includes revenue for licences for individual and duplicate sales licences.

The total expenditure of the Department of Broadcasting for the year was \$1,755,623.29 to which the Federation Government contributed \$395,376.

Broadcasts to schools were continued during the year. The number of schools making use of the Schools Broadcasting Service increased from 182 to 265. This total was made up as follows :

English Schools	..	..	123
Malay	„	..	35
Chinese	„	..	107
			<hr/> 265 <hr/>

Nine hundred and sixty-six programmes were broadcast to schools during the year, 355 to English schools, 353 to Chinese schools and 258 to Malay schools. An important development has been the progress made in the teaching of English in Chinese schools through these broadcasts.

New studio premises were taken into service at Kuala Lumpur and Penang and improvements made in the studio equipment at other centres. In Singapore the Medium-wave service for Red Network was transferred to a higher power transmitter and the old low power transmitter taken out of service.

CHAPTER XII.

COMMUNICATIONS.

Roads.

The road system of Malaya is 6,060 miles in length and is composed of the following mileages and types of road :

Class.	Description.	Mileage.
A	1. Concrete surface	20
	2. Metalled surface grouted or sealed with bitumen	3,917
B	Metalled surface waterbound	337
C	Hard surface bitumen sealed	212
D	Hard surface waterbound	849
E	Earth surface	725
Total ..		<hr/> 6,060 <hr/>

Of this system approximately 2,120 miles of roads have been declared as "Federal". In general the Federal roads may be said to include all the main through routes, roads serving the principal ports, roads in a stage of preliminary development in the Eastern States and roads which could be said to be principally of strategic value. Although provision was made in the Annual Estimates of

the States and Settlements for reconditioning of some of the Federal roads, full provision was made for their normal maintenance, including re-metalling as much as possible, in the Federal Estimates. The total maintenance provision so made was \$6,388,530 of which \$5,968,353 was spent during the year. The total mileage of Federal roads re-metalled was 164 miles and a seal coat of bitumen was given to a further 73 miles. The intermittent and irregular release of funds for the reconditioning work on these roads with the consequent inability of engineers to make proper plans for a continuous programme of work, and also the failure of the contractors for the supply of bitumen to implement their contract owing to difficulties with the Egyptian Government, were two main factors responsible for the mileage of re-metalling being less than anticipated.

A tabular statement of the mileages and expenditure on maintenance of metalled roads throughout the Federation is given below :

State/Settlement.	Total <i>metalled</i> road mileage.	Mileage re-surfaced.	Expenditure on road maintenance.	Average cost of maintenance per mile.
			\$	\$
Johore	963 $\frac{1}{2}$	118	2,986,676	3,100
Kedah	454	46 $\frac{1}{2}$	1,476,493	3,252
Perlis	48	11	125,186	2,608
Kelantan	149	6 $\frac{1}{2}$	577,603	3,850
Malacca	375	32 $\frac{3}{4}$	1,056,915	2,818
Negri Sembilan	559	49 $\frac{3}{4}$	1,817,339	3,251
Pahang	588 $\frac{1}{4}$	63 $\frac{3}{4}$	1,798,166	3,057
Penang	275 $\frac{1}{2}$	65	1,070,181	3,884
Perak	1,047 $\frac{1}{2}$	116 $\frac{1}{4}$	3,929,859	3,752
Selangor	742 $\frac{1}{4}$	91	2,330,507	3,140
Trengganu	133	38 $\frac{1}{4}$	374,757	2,817
Total	5,335	638 $\frac{3}{4}$	17,543,682	3,288

Johore.

A contract was let in September to build a new reinforced concrete bridge to replace the 120 feet span timber bridge at 8 $\frac{1}{2}$ miles from Johore Bahru on Route I, and the work was satisfactorily completed by the end of the year.

As a first step towards the connection with the road system of Pahang, new ferry ramps and a pontoon repair slipway were completed at Endau. Considerable assistance was also given by the Government of Johore towards the preparation for work which is necessary in the new road system in the south-east of Pahang, as this area is at present more accessible from Johore than it is from Pahang.

Kelantan.

There being very few satisfactory engineering contractors in this State the bulk of the work of replacing temporary bridges is carried out by the Public Works Department almost entirely by Malay labour.

Malacca.

Considerable progress was made during the year to remedy conditions of the roads in this Settlement which were described in 1947 as "the worst in the Peninsula"; but owing to lack of crushing plant it was not possible to repair all the bad sections. There are still $3\frac{1}{2}$ miles of bad surface which it is hoped to put in order in 1949. Of the Settlement mileage of 339 miles, a total of 28 miles were re-metalled or sealed.

Negri Sembilan.

In the Tampin district two timber bridges were replaced by 30 feet span reinforced concrete bridges of beam and slab design.

Pahang.

A new high level bridge 220 feet long was constructed over the Sungei Lepar at mile 131 on the Benta-Kuantan road. This replaced the low level bridge and hand-ferry which operated when the low level bridge was flooded. This river floods regularly and the crossing has been a source of interruption to traffic for some years.

On the new projected link road between Temerloh and Maran, on which work was started before the Japanese occupation, an attempt was made to continue the survey at the Maran end, all previous records having been lost during the occupation; but terrorist activities in this area forced the abandonment of this work. Maintenance of State roads continued, 12 miles being re-surfaced from the total of 194 miles.

Penang.

The principal new work of interest in this road system was the replacing of the old wooden pontoon bridge at Permatang Pauh by a floating bridge with reinforced concrete pontoons carrying Bailey superstructure. The overall length of the bridge is 450 feet and it has a central bay 50 feet wide which can be opened for the passage of river going vessels. The total expenditure in replacing this bridge was \$206,000. A traffic census covering one week in September showed that an average of 1,350 vehicles, excluding bicycles, passed over the bridge daily, which is equivalent to about 5,000 tons per day.

Perak.

Three important bridges were completely rehabilitated during the year, the first being the Iskandar Bridge at Kuala Kangsar which was formally opened by His Highness the late Sultan of Perak, in February. The others were the three-span steel through-girder bridge at Tapah and the reinforced concrete bridge in Brewster Road, Ipoh.

Selangor.

The maintenance of the two long pontoon bridges at Klang still presented a problem throughout the year. Corrosion of the thin steel plates of which the pontoons are constructed calls for heavy repairs and patching. The annual cost of maintaining these bridges now amounts to \$88,000, and must increase as the deterioration becomes worse during the course of time.

Trengganu.

The so-called "East Coast Road" forms the bulk of the Federal road system in this State. It is primarily an earth road with some block metal in the low-lying stretches and due to its location along the coastal belt within a quarter of a mile of the sea it is not a road upon which a large expenditure should be incurred in bringing it up to modern traffic standards. Its original purpose of forming a village-to-village link has been well served and the tendency to regard it as a main highway is one which should be resisted.

In all, 72 bridges on the Federal road were given a complete overhaul during the year, those which were completely reconstructed costing \$115,096 or approximately \$146 per linear foot of bridge.

Road Transport.

During 1948 the number of mechanically propelled vehicles registered throughout the Federation continued to increase steadily, the total increase of vehicles of all classes being 9,020. The present registered total of 42,335 vehicles includes 6,740 motor cycles, 18,405 cars, 1,499 buses, 1,352 taxis and 13,644 goods vehicles. Government owned vehicles number 5,146.

The registered total also includes vehicles laid up and not licensed, vehicles not used on public roads and therefore not licensed, and a number of vehicles which have been "scrapped". There is at present no law requiring the owner of a motor vehicle to declare when the vehicle is not in use, but such a requirement has been included in the new draft Road Traffic Ordinance.

Bus services now operate on over 6,000 miles of road which comprise all major and most of the minor roads in the country. With the coming into effect of the Motor Vehicles (Construction and Use) Regulations, 1948, and the availability of proper bus chassis, the design of buses for the comfort of passengers and safety have greatly improved. A further 151 buses were put into operation during the year.

It is calculated that over 122 million passengers were carried during the year at fares which ranged from 3 cents per passenger mile for rural services to 5 cents on certain town services, or where rough roads have to be traversed in newly developed areas.

There were 1,338 goods vehicles operating as public carriers, 814 as limited carriers, and 4,544 as private carriers. Over 12,044 commercial vehicles were examined by officers of the Road Transport Department in the interests of safety.

The total revenue collected by the Road Transport Department from the registration and licensing of mechanically propelled vehicles and from driving licences amounted to \$6,851,233 for the year.

Owing to the emergency, consideration of the Road Transport Ordinance was deferred and the Road Transport Proclamation and the subsidiary regulations made thereunder continue to govern the licensing and operation of all mechanically propelled vehicles within the Federation. During 1948 a number of new regulations came into effect the more important of which were the Motor Vehicles (Construction and Use) Regulations, 1948, and the Motor Vehicles

(Commercial Use) (Amendment) Regulations, 1948. The latter provided for the advertising of all applications for commercial licences, the hearing of applications at public enquiries, and the publication in the *Government Gazette* of decisions on such applications.

In June, 1948, the Joint Advisory Board on Imports and Exports Control, Federation of Malaya and Singapore, recommended prohibition on imports of motor cars exceeding 20 horse power except from United Kingdom sources. Control over the export of motor vehicles was retained throughout the year and it was also necessary to retain petrol rationing.

On 17th November, 1948, the price of petrol was increased from \$1.40 per gallon to \$1.45 per gallon.

Railways.

The Malayan Railway, the new title of the undertakings formerly known as The Federated Malay States Railways and the Johore State Railway, is a vital factor in the communications of the country, and is owned by the Federation.

The main line runs from Singapore in the south to Prai in the north opposite Penang Island. A branch line runs from Bukit Mertajam (five miles south of Prai) to Padang Besar on the Siamese border, where connection is made with The Royal State Railways of Siam. Branch lines connect the main line to Port Dickson, Port Swettenham, Teluk Anson and Port Weld. The East Coast Line which ran from Gemas to Tumpat in Kelantan and established a second connection with The Royal State Railways of Siam at Sungei Golok had been partly dismantled by the Japanese, the rails and undamaged bridge spans between Mentakab and Krai (200 miles) being removed.

During 1948, relaying of the East Coast Line was completed as far as Jerantut, 32½ miles north of Mentakab: the Guillemard and Sungei Nal bridges were restored, making it possible to re-open 17½ miles of track and to operate trains in Kelantan as far south as Krai.

Financial Results.

Terrorist activities throughout the Federation had an adverse effect on the Railway's financial position, and passenger receipts were some \$4,000,000 less than had been estimated.

Special Expenditure on Reconstruction and Rehabilitation during 1948 was \$30,666,751, of which an amount of \$4,534,597 was met from the Railway's Renewals Fund.

Effect of the Emergency on Train Services.

The Railway was attacked by terrorists on 47 occasions. Two bridges were damaged by explosives. The track was damaged on ten occasions by removal of rails or by explosives or obstructions. In 16 cases there was interference with Railway signals and telecommunications. Trains were fired upon on six occasions. Patrol trains were derailed on three occasions and a following night mail train on one occasion. Three wayside stations were destroyed and one damaged by arson.

Fortunately these attacks did not result in the death or serious injury of any Railway passenger. One Railway trolley driver was killed, and foot-plate staff suffered injuries on four occasions.

During the last half of the year night mail trains were run at reduced speeds with patrol trains running five minutes ahead in the same section. The locomotives of patrol trains and mail trains were lightly armoured, and to the former was attached an armoured vehicle conveying a small escort. A larger escort travelled on all night mail trains.

The four night mail trains carried wireless sets which were in constant communication with fixed stations along the route and engine drivers were equipped with Walkie-Talkie wireless sets. Three lightly armoured trains were placed at the disposal of the security forces.

Operating Results.

Comparative results of working are given below :

Item.	Unit.	1948.	1947.	1939.
Route miles open to traffic ..	Miles ..	860 ..	810 ..	1,068
Passenger train mileage ..	Thousand miles ..	1,184 ..	1,056	3,284
Passenger journeys ..	Thousand ..	3,820 ..	4,409 ..	11,463
Average receipt per passenger journey (ordinary) ..	\$..	2.40 ..	2.05 ..	.38
Goods train mileage ..	Thousand miles ..	1,683 ..	1,426 ..	1,426
Paying goods tonnage ..	Thousand tons ..	1,589 ..	1,389 ..	1,867
Paying goods ton mileage ..	Thousand ton-miles ..	193,424 ..	167,187 ..	160,047
Port Swettenham, Imports ..	Tons ..	457,261 ..	338,407 ..	422,113
Exports ..	Tons ..	256,510 ..	249,927 ..	152,880
Prai, Imports ..	Tons ..	210,553 ..	199,635 ..	109,485
Exports ..	Tons ..	150,693 ..	129,800 ..	126,084

Operating Costs—Staff.

The cost of wages and salaries has risen still further, and the total staff costs are now no less than 65 per cent. of the total Railway expenditure. Staff costs in 1939 totalled 7½ million dollars and 22½ million dollars in 1948.

Stores.

The cost of stores which, as stated in last year's report, has increased up to three times the pre-war cost shewed no sign of declining.

The price of local coal supplies remained at \$20.50 per ton at pithead throughout the year or approximately four times the pre-war cost. The average prices of primary and secondary hardwood sleepers increased to \$9.20 and \$7.25 per sleeper respectively as compared with pre-war costs of \$2.30 and \$2.

Freight Rates and Passenger Fares.

During 1948 there was no change in the level of standard freight rates and fares, but in some areas, to meet road competition, it became necessary to offer reduced passenger fares for local services and reduced freight rates for commodities falling in the higher

classes of the goods classification. Additional rail-served godowns having a total area of 50,400 square feet were erected on Railway premises during the year.

The Permanent Way.

Good progress was made with the reconditioning of the Permanent Way and in overtaking arrears of sleeper renewals. An open tank creosoting plant was constructed at Gemas, having a daily output of 1,600 creosoted sleepers. Improvement in the condition of the track made it possible to increase the maximum permissible speed to 40 miles an hour over some sections, but a general restoration of the pre-war maximum speed on the main line of 45 miles an hour is not yet possible. The restoration of signalling and Railway telecommunications was continued, but progress was still impeded by delays in delivery of materials from the United Kingdom.

Locomotives.

The stock of locomotives at the end of the year was :

Main line	..	..	..	..	..	162
Shunting	..	..	..	..	..	39

Seventeen new diesel-electric shunting locomotives received from the United Kingdom were placed in service during the year. Eight ex-Military steam locomotives were sold to the Tanganyika Railways.

At the Sentul Workshops 80 heavy and 43 light repairs to locomotives were undertaken. At the end of the year 37 heavily damaged locomotives were still in storage awaiting major repairs which cannot be undertaken until essential materials and spare parts are received from the United Kingdom.

Coaching Stock.

The stock at the end of the year was as follows :

In traffic	..	..	..	..	..	258
Awaiting repairs, etc.	..	..	..	..	..	31
						<hr/> 289 <hr/>

Eighty heavy and 28 minor repairs to coaches were carried out at the Workshops during the year. Two additional 1st class and two additional 2nd class sleeping coaches were put into service, and, also one re-conditioned air-conditioned buffet car for use on day mail trains.

Wagons.

The stock of wagons at the end of the year was :

Four-wheeled vehicles	..	..	..	..	3,813
Bogie vehicles	..	..	..	..	1,550

During the year 1,043 wagons were repaired at the Workshops. Two hundred and eighty-eight bogie and 411 four-wheeled wagons received from the United Kingdom were erected and placed in service. Two hundred ex-War Department wagons, of plywood sides and roofs, were re-built.

*Staff.**Establishment.*

The number of Railway employees at the end of the year was as follows :

Europeans	..	..	..	..	..	106
Eurasians	..	..	..	..	..	238
Indians and Ceylonese	..	..	..	..	..	9,268
Chinese	..	..	..	..	..	1,438
Malays	..	..	..	..	..	3,335
Others	..	..	..	..	..	202
						<hr/> 14,587 <hr/>

Of these, 3,419 were employed on monthly salaries and 11,168 on daily rates of pay.

Trade Unions.

Six Railway trade unions each representing a different group of Railway employees continued to operate and all were recognised by the Railway Administration for the purposes of negotiation.

Machinery of Negotiation.

Conciliation meetings at which employees have direct access to district officials were held monthly at all main Railway centres. The establishment of a type of "Whitley" Council was discussed between the Railway Administration and the Trade Unions and agreement was reached with the All Malayan Railway Workers' Union by the end of the year.

Housing.

One hundred and forty-three war-damaged staff quarters were re-built during the year. Two hundred and six additional staff quarters and forty rest rooms for locomotive firemen were built during the year. There is still a shortage of 2,000 staff quarters.

Welfare.

Twenty Railway staff canteens continued to operate at the main railway centres. Railway staff Institutes throughout the line were re-opened after restoration of playing fields and repairs to buildings and by the end of the year, 18 were functioning as compared with the pre-war total of 20.

Reconstruction.

In Kelantan, the restoration work on the 17 miles of the East Coast Line between Sungei Kusial and Krai was completed. This work included the restoration of the large Guillemard and Sungei Nal bridges. The opening ceremony was carried out by His Highness the Sultan of Kelantan on 7th September, 1948. In Pahang, the relaying operations northwards from Mentakab were continued with the specially constructed track-laying trains using pre-fabricated track. On 15th April, 1948, the section from

Mentakab to Kuala Krau was completed and on 3rd November, 1948, the section Kuala Krau to Jerantut was re-opened. The distance from Mentakab to Jerantut is 32 miles. Relaying northwards from Jerantut has been suspended temporarily.

Workshops.

At Sentul Works substantial progress was made in clearing wreckage and debris and with the erection of temporary and permanent workshops. Restoration of the Kuala Lumpur locomotive and carriage sheds, which had been partially destroyed by Allied bombing, was continued during the year, but it is not expected that the work will be completed before 1950.

Ports.

Clearance of the wrecks sunk during the war alongside the Coastal Wharf at Port Swettenham proceeded during the year and by October this work had been completed. A large quantity of silt had accumulated around the wrecks and the whole area now requires dredging, which work will be undertaken during the first quarter of 1949. The reconstruction of the Coastal Wharf was continued throughout the year and when completed will provide a wharf 600 feet long with direct rail access giving much needed additional wharf accommodation.

The restoration of the passenger jetties at Port Swettenham and at Kota Bharu was completed during the year. Much general restoration work both of the wharves and other port facilities at Prai and Port Swettenham was carried out. Investigations by Consulting Engineers of the silting problem at Prai and of proposals for the construction of additional wharves in the North Klang Straits continued during the year.

MARINE.

Shipping.

The total number and tonnage of ships that entered and cleared at Federation ports were as follows :

	No. of vessels.	Tons.
Penang	2,969 ..	8,028,814
Port Swettenham	1,764 ..	5,110,504
Malacca	484 ..	209,178
	<hr/> 5,217 ..	<hr/> 13,348,496

Country Craft.

The total number of country craft that entered and cleared at the Federation ports were as follows :

	No. of vessels.	Tons.
Penang	7,334 ..	383,034
Port Swettenham	7,061 ..	89,781
Malacca	6,675 ..	285,852
	<hr/> 21,070 ..	<hr/> 758,667

Navigational Aids.

Navigational aids around the Federation coast line have been maintained in a state of efficiency. Complete new electrical light-house equipment for Pulo Angsa, North Klang Straits, arrived from the United Kingdom during the year and will be in operation during the early part of 1949; as will also a new light ship for Angsa Bank.

The clearing of wrecks and the subsequent dredging programme proceeded satisfactorily during the year.

POSTS.

During 1948 there was a substantial increase of traffic in every branch of postal activity due to the expansion and development of Malayan commercial undertakings and to the use of the Civil Post Office by the military. Postal articles of all classes handled during the year totalled 70,143,376, an increase of 43 per cent. on the 1947 figure of 49,102,109. Cash transactions at Post Offices increased from \$312,599,631 in 1947 to \$347,459,868 in 1948. The number of permanent staff of all grades employed was 1,882.

At the end of the year 187 Post Offices and 112 Postal Agencies were in operation. Public posting boxes in the Federation numbered 616 at the end of the year and 288 licences to sell stamps were issued to private persons.

In January the Inland Express Delivery Service was introduced providing facilities for the delivery of urgent correspondence in advance of the normal delivery time.

Legislation providing for the introduction of the Business Reply Service early in 1949 was gazetted in December. Reduced postage rates for the internal air service were introduced in September. Increased handling and conveyance costs necessitated the charging of higher postage rates on Inland Parcels, Printed Papers, Commercial and Sample Packets. An internal air mail parcel post was introduced on the 21st January, 1948.

Pre-war Straits Settlements stamps overprinted "B.M.A." continued to be used throughout the year. On 1st December, 1948, special issues of stamps of denominations 10 cents and \$5 were put on sale to commemorate the Silver Wedding of Their Majesties. The issue of new stamps for each State and Settlement will be commenced early in 1949.

Improved regular flying schedules provided by Malayan Airways enabled the internal surcharged air mail service to provide accelerated deliveries of correspondence to most of the larger towns in the Federation. The service between Singapore and Penang was increased to twice daily and the East Coast service to Kuantan, Kuala Trengganu and Kota Bharu to thrice weekly. The internal service was used for the transmission of overseas air mail correspondence in both directions. The Lancastrian and Constellation services to and from Australia, India and the United Kingdom, were increased to four per week with an additional service alternate weeks. An improvement in the transit time for surface mails to the United Kingdom is recorded, the average being 28 days. The Railway Mail Service between Gemas and Jerantut was restored in November.

The money transmission service of the Post Office was used to an unprecedented extent, money orders issued totalling 434,653 to the value of \$40,410,917. Money orders totalled 239,399 to the value of \$22,396,958.

All Post Offices transact Savings Bank business. The number of depositors at the end of the year in Malayan Post Office Savings Banks (including the Straits Settlements Savings Bank) was 280,071 and the total amount on deposit was \$70,898,599 compared with 253,783 depositors and \$58,745,643 on deposit at the end of 1947. Transactions in the Savings Banks amounted to \$43,009,161 deposited and \$32,256,123 withdrawn. Arrangements have been completed to amalgamate on the 1st January, 1949, the Savings Banks of the Federated Malay States, Johore, Kedah, Kelantan and the Penang and Malacca Sections of the Straits Settlements Bank in one Savings Bank for the Federation of Malaya.

Recreation clubs catering for both physical and intellectual activities were in operation at Kuala Lumpur, Ipoh, Penang and Taiping. At Penang a holiday bungalow is maintained for the use of the clerical staff in the Postal Department.

Telecommunications.

The office of the Director-General of Telecommunications, Federation of Malaya and Singapore, is in Kuala Lumpur where the main Stores, Workshops, Accounts Branch are also situated.

Despite slow delivery of materials from the United Kingdom, shortage of senior staff and the additional burden brought about by the Emergency which arose in June, much valuable progress has been made during the year. Rehabilitation of services to the pre-war level is well advanced but there is still much to be done before an entirely satisfactory service is obtained.

Telegraph Services.

The number of telegraph offices and Railway telegraph agencies has remained unchanged at 282. Teleprinter circuits increased from 17 to 18 and phonogram circuits from 171 to 173. The number of manual morse circuits had been reduced to 9 at the end of the year.

The number of telegrams handled showed a slight fall from 1,581,149 in 1947 to 1,501,145 in 1948.

The Public Teleprinter Service instituted in 1947 has proved popular and now has 18 subscribers using 40 teleprinter stations. Seven subscribers could not be provided with service as equipment had to be diverted for the provision of a teleprinter network linking together the main Police Headquarters along the West Coast.

Telephone Services.

The number of telephone instruments in service increased by 29 per cent. over the previous year to 17,553. The arrival of 228 Private Branch Exchange Switchboards early in the year improved the facilities available for the larger subscribers. At the end of the year there were 5,049 outstanding applications for telephone service, for which the requisite equipment was not available.

Trunk telephone traffic also increased considerably as shown by an increase in revenue from this source by nearly one-third over the

previous year. The number of inter-exchange circuits was increased from 572 to 649 and kept pace with subscriber development

From June onwards there was a great demand for increased telephone services to meet the Emergency situation and 467 direct exchange lines have been installed in this connection.

Six new exchanges were opened during the year, making a total of 197. Thirty-seven extensions and replacements were carried out at existing exchanges. Much of this work was completed by the installation of reconditioned switchboards as new switchboards ordered in 1945 had not arrived.

Work is in progress on the erection of a third storey to the Kuala Lumpur telephone exchange building for the accommodation of the new equipment which is on order.

During the year nearly 500 miles of pole route were built and 4,000 miles of overhead conductors were erected.

Radio Services.

The Radio telephony link using high frequency equipment between Kuala Lumpur and Kuala Lipis was extended to Kuantan and Kuala Trengganu and an additional link between Kuala Lumpur and Penang was put into service.

Marine Radio Services showed a marked increase in traffic and Radio Medical Service facilities were introduced to enable Masters of Vessels to obtain medical advice free of charge through the appropriate coast radio stations.

Aeronautical Radio Services already provided at Kuala Lumpur, Ipoh, Penang, Kuantan and Kota Bahru aerodromes were added to by installations at Taiping and Alor Star aerodromes. Additional communication channels between the larger airports were also provided together with an additional "ground-to-air" channel.

Meteorological Radio Services have been extended to deal with reports from ships at sea.

Police Radio Services have expanded rapidly to meet the Emergency. A long distance high frequency wireless telegraphy network has been provided to link up the various States. Shorter distance networks within States for wireless telegraph or radio telephone between fixed points have been provided in skeleton form and are being completed as equipment arrives from the United Kingdom. Similarly networks for the direction of "Flying Squads" are being provided as equipment comes to hand.

Railway Telecommunications.

Rehabilitation of lines and equipment has continued and services have been extended concurrent with the replacement of the East Coast railway line. This involved the erection of 50 miles of overhead pole route.

Tablet working has been re-introduced on the Kedah Branch Line, the Batu Arang Branch Line and between Gemas and Kemayan.

Control telephones with an improved design of selectors were installed for the Train Control System between Prai and Ipoh and also on the Port Swettenham and Batu Arang Branch Lines.

Staff.

Staff training, a most important activity at the present time, has been accelerated now that premises in Kuala Lumpur have been acquired where 50 students can be accommodated. In addition Correspondence Courses in technical subjects have been started for 150 students.

During the year the total number of monthly paid employees increased from 1,885 to 2,024 while the number of daily rated employees decreased from 2,629 to 2,548.

CIVIL AVIATION.

General.

The year 1948 has been one of continued progress and development in Civil Aviation though the effects of the restrictions imposed by the general financial situation, and the Emergency which arose in widespread terrorist outbreaks in June, 1948, are seen in the further postponement of the construction of a Terminal Building for the Federal Capital's Airport (a much-needed facility), the provision of similar buildings and housing accommodation for the staff at Kota Bahru, Kuantan, and Taiping, and the construction of an airfield at Malacca.

Air Services.

The internal air services established in 1947 and operated by Malayan Airways Limited, have continued to develop and expand in a most satisfactory manner. Although this development undoubtedly owes much to the stimulus provided by the Emergency, which has rendered road and rail travel somewhat hazardous throughout the country, the Company has amply demonstrated its efficiency in the operation of air services, and thereby earned the confidence of the public. Services operated regularly and punctually, such cancellations and delays as there were being usually attributable to bad weather, and with complete freedom from accident involving injury to passengers and crews. Only a few instances of minor damage to aircraft occurred during the year. Scheduled movements of aircraft within the Federation rose from a total of 527 in January to 1,014 in December, an increase of 92.4 per cent. The number of passengers embarked in the Federation increased progressively from a total of 1,418 in January to 3,735 in December, an increase of 162.7 per cent. Mail and cargo traffic showed similar increases.

External air services were established during the year under review by Malayan Airways Limited, K.L.M., and Siamese Airways Limited. These were as follows :

M.A. Ltd.

Singapore-Medan-Penang.
Singapore-Penang-Bangkok.
Singapore-Kota Bharu-Saigon.

S.A. Ltd.

Bangkok-Penang-Singapore.

*K.L.M.**Medan-Penang.*

All services are operated with D.C. 3 aircraft.

Total air traffic for the year 1948	..	..	16,897
No. of passengers embarked	..	..	27,861
No. of passengers landed	..	..	28,699
No. of passengers in transit	..	..	24,126

Meteorological Services.

The Aviation Weather Service has continued to function satisfactorily, due regard being had to the continued shortage of Senior and Junior staff at the Forecasting Centre in Singapore and on the outstations, particularly on the East Coast, which at one period rendered necessary a curtailment of Meteorological Services.

At Kuala Lumpur and Penang (where there is a direct telephone link with Butterworth R.A.F. airfield), the services of the R.A.F. Meteorological Section have been available when required, and have been of considerable benefit to Civil Aviation generally. It is hoped to establish an additional Forecasting Centre for Northern Malaya at Bayan Lepas in the near future, where the necessary additional accommodation has been prepared at the Airport.

The need for additional reporting stations and increased staffs at existing stations on the East Coast was apparent during the North-east Monsoon season, which this year was more than usually severe. The matter is engaging the attention of the Director, Malayan Meteorological Service.

Upper wind reports are now available at Kuala Lumpur, Penang, Kota Bahru and Kuantan. It is hoped that all reporting stations in the Federation will soon be equipped for this service.

Government Aircraft.

One of the two Miles "Gemini" aircraft purchased by the Department arrived in Kuala Lumpur in March and has been extensively used by Their Excellencies, other V.I.P.'s, and by Senior Officials and Unofficials travelling on Government business. The aircraft is proving extremely useful in enabling rapid transport of officers to all parts of the Federation and Singapore at short notice. The business of the Department is also greatly accelerated by its use. The aircraft is piloted by the Staff Pilot and other Departmental officers.

Flying Clubs and Private Owners.

The Kuala Lumpur Flying Club, which was re-established in 1947, has continued to operate satisfactorily, and considerable progress was recorded during the year under review. In view of the fact that the Club no longer receives a cash subsidy from Government, its present position can be regarded as a notable achievement. Membership has steadily increased, and by the end of the year the number of hours flown each month approached the Club's record of 212 hours. Three D.H. Tiger Moths and a K.Z. III (Lark) constitute the Club's present fleet.

Indirect financial assistance was, however, provided by Government in the form of a rebate of duty on petrol consumed by the Club's aircraft, and a special low rate of landing fees—\$25 per aircraft per quarter—for the use of Government airfields.

The Perak Flying Club, Ipoh, having been granted permission to operate glider aircraft at the Ipoh Aerodrome (subject to certain conditions to ensure safety) have placed orders in the United Kingdom for a number of gliders and ancillary equipment. Delivery is expected early in 1949.

The Penang Flying Club took delivery in June of three D.H. "Tiger Moths", and flying operations commenced immediately at Bayan Lepas Airfield. The long distance from town however (14 miles) and the effects of petrol rationing and a small membership combine to militate against a rate of progress comparable to that achieved by Kuala Lumpur. Nevertheless, steady progress is being made, and the small band of enthusiasts at Penang are to be congratulated on the results accomplished. This Club also receives the benefit of the indirect financial assistance enjoyed by Kuala Lumpur.

Only one private owner is registered in Malaya at present, his Fairchild "Argus" aircraft being purchased early in the year in the United Kingdom and flown out by Mrs. Joan Allen.

Several private individuals and companies have notified their intention of acquiring light aircraft for personal transport use, and there appears to be little doubt that but for the present Emergency many more purchases would have been made. A number of rubber estate companies have built airstrips for light aircraft on their properties, and others announce their intention of doing so when normal conditions have been restored.

Air Legislation.

The advent of the new Federation of Malaya Constitution, the mass of Emergency Regulations consequent upon the outbreak of terrorism, and the need for a complete overhaul of much of the pre-war legislation rendered it impossible to secure the passage of revised Air Navigation laws and regulations, which except in minor respects remain the same as in pre-war years. Towards the end of the year, however, the Colonial Air Navigation (Amendment) Order, 1948, was duly published in the Federal *Gazette* under Notification No. 4058.

The Landing and Housing Fees (Special Permits) (Amendment) Regulations, 1948, which provide for special rates of landing fees for Flying Clubs and private owners, were duly approved in the Federation and Singapore, and published in the Federal *Gazette* under Notification Nos. 3565 to 3569.

CHAPTER XIII.

CULTURAL ACTIVITIES.

Final plans were completed for the building of a new Federation Museum in Kuala Lumpur to replace the Selangor Museum which was destroyed by bombing during the war. There is, however, no immediate possibility of funds being made available for the actual construction of the museum.

One of the main exhibits destined for the museum is the Sir Frank Swettenham's collection of *objets d'art* and manuscripts acquired during the year. The collection is at present housed in "Carcosa", the residence of the Chief Secretary, where it is being classified.

Archaeological discoveries of interest during the year were the finding of Buddhist images in a cave in Kedah and also some specimens of "Tulang Mawas", instruments of the Malayan iron age, which were found in the Klang District of Selangor.

The exhibits and library and also items from the bombed Selangor Museum are being maintained in as good condition as funds permit, but unfortunately the financial stringency has prevented the recruitment of a permanent curator for the museum.

The Library Adviser of the British Council made a report on the Taiping library, which includes books from the bombed Selangor Museum. The Federation Government has promised funds to restore and catalogue the library.

The British Council was active during the year, art exhibitions being held in Kuala Lumpur, Klang and Penang. These included an exhibition of Indian classical art by a Ceylonese, Ananda Samarakone; an exhibition of oils, pastels and water colours by Tonny Saptohoedjo, an Indonesian; a water colour show of scenes in Malaya and South-East Asia by a Chinese, Ho Choo Chuan, and an exhibition of oils and water colours of Malayan scenes by Inche Jalinus, a Malay from Kuala Lumpur.

In addition there was a large exhibition of art and books at the Chinese Assembly Hall, Kuala Lumpur, the pictures being painted by Yan Kee Leong, and books provided by Ng Keam Nyen, a book-seller in Seremban who was a British Council scholar.

At the British Council Centre there were regular meetings by the Malayan Film Society, the Kuala Lumpur Musical Society, the Theatre and Dramatic Society, the Kuala Lumpur Chess Club, the Aeromodellers and Model Craft Society, and the Womens' International Club. Activities of the Centre included gramophone recitals, lectures and discussion groups, and play reading.

Two concerts were arranged at the Town Hall, one by the well-known soprano, Isobel Baillie, and the other by the pianist, Clifford Huntsman.

The British Council made numerous presentations of books, periodicals, music and records to schools, Government departments and organisations throughout Malaya; special film shows were given to schools and various Government departments. In addition, a Federation film library was organised in Kuala Lumpur by the Department of Public Relations.

The annual exhibition by the Malayan Agri-Horticultural Association was cancelled as a result of the Emergency, thus depriving artists and craftsmen of an opportunity to display their work.

PART II.

CHAPTER 1.

GEOGRAPHY AND CLIMATE.

The territories comprising the Federation of Malaya are situated in the Southern Section of the Kra Peninsula which protrudes at the South-eastern corner of Asia between India and China, between latitudes 1° and 7° North and longitudes 100° and 105° East. The Federation of Malaya covers an area rather more than twice the size of the Island of Ceylon and slightly larger than England without Wales. The largest of its territories is the State of Pahang, which is twice the area of Lancashire and Yorkshire combined and the smallest is the State of Perlis which is about twice the size of Rutland.

The State of Perlis lies on the North-west coast of the Peninsula and is bounded by a range of hills running North and South which separates it from the Siamese Province of Setul. On the East the boundary is with the Siamese Province of Nakon Sridhammaras and the Malay State of Kedah, which is bordered on the interior by the Siamese States of Songkhla and Patani and by the State of Perak. The Muda River separates it from Province Wellesley.

The State of Perak stretches South from Province Wellesley, Kedah and Siam and is separated from Kelantan and Pahang on the East by the main range of mountains that form the backbone of the Peninsula. On the South, the Bernam River separates the State from Selangor, which is bordered on the East by the State of Pahang and on the South by the State of Negri Sembilan.

Stretching North on the East coast between the Northern Border of Pahang and the Siamese boundary lie the two States of Trengganu and Kelantan.

In the extreme South of the Malay Peninsula lies the State of Johore. Four-fifths of the surface of the Federation of Malaya is covered by dense tropical jungle. The only generally cleared parts of the country are the long stretches down the West coast, an area in the North and a number of open stretches up the principal rivers. The State of Trengganu, for example, is divided into sixteen river basins all of which empty into the China Sea.

The Malay rivers at their sources and in their upper reaches are quick flowing often with tortuous rapids and precipitous gorges.

In the lower reaches, the descent is more gradual and the water takes on a muddy hue from contamination with the silt of the plains through which they meander, debouching ultimately through strips of mangrove swamp, particularly on the West coast.

The two principal rivers of the Peninsula are the Perak and the Pahang, the latter being some ten miles shorter than the River Thames. It springs in the main range of mountains, the highest of which is Gunong Tahan which rises to over 7,000' at its summit. This and other peaks constitute some of the highest territory South

of the Himalayas, while there are half a dozen prominences which would comfortably overshadow Ben Nevis. That part of the country free from the torrid luxuriance of forest and jungle has been developed into great rice-producing areas as in the alluvial plains of Kedah, Perlis, and Kelantan. Other stretches have been scarred by the incisions of industry as in the Kinta valley of Perak, which opens out into a monotonous prospect of silver grey silt, the residuum of tin extraction.

The coast line of Malaya extends for over one thousand miles; on the West a practically unbroken succession of mangrove and mud-flats with infrequent indentations of picturesque bays fringed with coconut palms and the graceful spires of the casuarina. On the East coast there are long unbroken stretches of sand and surf bordered by a littoral vegetation which lends to it a beauty possibly unparalleled in the tropics.

Within the territorial waters lie the Langkawi Islands off the North Kedah coast rising to over 2,000' wrapped in wild and rugged beauty. Farther south there is the Island of Penang, picturesque in a different way, whose features have been eulogised by travellers from the earliest histories. The Island of Pangkor off the coast of Perak was once a Dutch settlement but little remains in evidence of this history beneath the vegetation which has long since reclaimed its own.

Finally off the East coast among a sprinkle of beautiful islands there is Tioman with its symbolic silhouette of granite peaks.

Climate.

The principal features of the Malayan climate are copious rainfall, high humidity and a uniformity of temperature which rarely varies during the day more than fifteen degrees. There are no well-defined divisions between the seasons which are but faintly marked by the breaking and closing of the South-west and North-east monsoons, the latter of which occurs in the season which corresponds with the Winter in the northern latitudes. Although there are two recognised rainy seasons between June and December and in March and April, during the last seventy years most calendar months have at one time or another been recorded as witnessing the highest annual rainfall of some specific year.

The average monthly rainfall is some 8.0 inches. The average maximum temperature on the plains is 91° and the average minimum 71°. At the Hill Stations conditions are somewhat different. Uniformity of temperature still obtains but the highest temperature recorded at Fraser's Hill (4,200') is 81° Fahrenheit and at Tanah Rata (4,750') 79° Fahrenheit. The coolest night temperature recorded at Fraser's Hill is 53° Fahrenheit and at Tanah Rata, 36° Fahrenheit, only 4° above freezing point.

However relaxing may be the humid monotony of the perpetual summer's afternoon which is the Malayan climate, it has the redeeming feature of a cool and not infrequently chilly night which is denied those who live in the greater tropical land masses during the warmer seasons.

CHAPTER II.

*HISTORY.**The Aborigines.*

The aboriginal inhabitants of that part of the Malay Peninsula which is now known as Malaya, numbering about 30,000 people, are usually divided into two main divisions, Semang and Sakai of whom the Jakun (formerly considered to be a separate race) are nowadays regarded as a sub-division. These divisions are based upon differences of physical characteristics, differences of language, and differences of geographical location. The date of the arrival of these aboriginal peoples in Malaya is unknown, but it is probable that the Sakai whose original home is conjectured to have been Yunnan and who are akin to many hill-tribes in South China, Indo-China, Formosa, the Philippines, Borneo, Celebes and Sumatra, appeared in this part of the world some thousands of years before Christ. The Semang Negritos, having racial affinities with the Aeta of the Philippines and the aboriginal inhabitants of the Andaman Islands, may have been earlier arrivals. They roam the jungles in the north of Malaya and are mostly men of the plains. They are regarded as being the lowest in the scale of civilization, and have only a very scanty knowledge of agriculture. The Sakai inhabit the hills and foot-hills south of the Semang. They are of Mongoloid stock. They are semi-nomadic and often live in communal huts. Noteworthy among the Sakai are the Northern Sakai who inhabit the hills which form the boundaries between Perak, Pahang and Kelantan. Owing to the fact that they have lived in the more healthy climate of the hills, free from the encroachment of other races, they have been enabled to develop a physique and a general outlook on life markedly superior to that of their kinsmen elsewhere. The Jakun are to be found in the coastal forests of South Malaya. Originally sea-farers (one branch of them is known as Orang Laut—"sea folk") in the course of many centuries they have in some cases been forced inland up the rivers. The Sakai (and Jakun) are sometimes described as Proto-Malays and a considerable element in the physical make-up of the civilized Malay is derived from the aboriginal stock. Another element to be found in the racial composition of the Malay in some parts of Malaya is the Indian.

The Indian Period.

About the first century, A.D., Indian traders from the Coromandel coast began to arrive in the Peninsula and in other parts of the Archipelago in great numbers. They came to barter their fabrics, their iron implements, their beads and the like for the produce of the jungle: its gums, camphor, wood and gold-dust. Ptolemy's account of the "Golden Chersonese" is clearly descriptive of the Peninsula about this period.

In time many of these Indians, accompanied by their skilled craftsmen, such as architects, cloth weavers and workers in metal, settled here and in numerous other places in the Archipelago, inter-married with the aborigines and built towns. In our part of the Peninsula their chief settlement was on the river Merbok in Kedah. This town came to be known in Malay records as Langkasuka. These Indian colonies led the virtually autonomous existence of city-states but, as time went on, they all came under the domination of Sri Vijaya, an Indo-Malay Kingdom, which had its capital, at one period, in Palembang. Later Sri Vijaya shifted its capital, it is thought, to Langkasuka.

The Indians wielded an important influence among the tribes with whom they had contact in the neighbourhood of the towns and the ports. They introduced Indian customs, including the system of rule by rajas in place of, or side by side with, the old simple Proto-Malay patriarchal or matriarchal tribal organisation. They disseminated Buddhism both of the southern school (Hinayana) and the northern school (Mahayana). Animism was, however, the basic cult of the Malays until it was replaced by Islam. The Indians brought a large number of Sanskrit words into the Malay language, introduced Indian alphabets for writing that language, and in time familiarised the Malays with the great Indian epics to which Malay literature and drama of the Shadow Play variety came to owe so much.

Indian economic and cultural dominance lasted here from the early Christian era up to about the 15th century when the arrival of Islam first weakened and then destroyed it. The process of destruction was accelerated by the advent in 1511 of the Portuguese who came to control the Malayan trade which up to that time had been largely Indian.

The Kingdom of Malacca.

It is conjectured that it was from the Kingdom of Sri Vijaya that the State of Tumasik (later to be known as Singapore) was founded about the 13th century. The latter, in turn, gave rise to the Malay Kingdom of Malacca. Tumasik, after beating off an attack by the Siamese about 1348, fell to the forces of Majapahit about 1376 and disappeared from history for four hundred years. The dispossessed ruler of Tumasik, Parameswara, fled to Malacca (then a little fishing village) which in the course of the following century grew to be of such great importance. The infant Malay State which he founded there was beset by enemies, chief among whom were the Siamese who claimed allegiance from its rulers. The latter, however, appealed for protection to the Emperor of China who raised the title of the Malay ruler to that of King of Malacca in 1405, freed him from any dependence on the Siamese, and warned that people to refrain from attacking Malacca. Later in the century the Siamese renewed their attacks, but by then the Malays had grown powerful enough to defeat them without outside assistance, and even to conquer the Siamese vassal State of Pahang about 1458.

The new Kingdom of Malacca grew apace in the 15th century. Its port was thronged by traders from many nations and small



Malay Co-operative Store.



A P.R. Field Officer of a Mobile P.A./Cinema Unit Gives Malay Commentary.

settlements of Javanese, Chinese and others, were established there. By the end of the century it had extended its sway over the Malay Peninsula as far north as Patani and over some of the coastal regions of West Sumatra. During that century, too, began the conversion of the Peninsula Malays to Islam.

The first centre of Islamic missionary effort in the Malay Archipelago was Northern Sumatra. Thither Indian, Persian and Arab Muslim missionaries flocked from the 14th to the 17th centuries. From North Sumatra Islam spread to Malacca which, by the end of the 15th century, had become the centre of the new religion in the Archipelago.

This process of Islamisation was gradual: it started in real earnest in the Peninsula in the 15th century and was not completed till about the 17th century, when Iskandar Muda, Sultan of Aceh, compelled acceptance of Islam at the point of the sword. Its progress appears to have been stimulated by the violent opposition of the Portuguese. Its effect among the Malays was enormous: India lost its pre-eminence among them as a sort of mother-country: Indian ties were loosened and finally broken, Indian culture was no longer sought after: the Arabs and their religion and culture were taken as a pattern: the Indian pantheon was replaced by the Muslim belief in One God. Buddhism and Hindu rites yielded to Islam: Indian temples and religious symbols were destroyed: Indian names of places were in some cases altered: the local rulers who used to be known by the Indian titles of Maharaja or Parameswara were thenceforth called by the Arabic title of Sultan: the Arabic alphabet was adopted in place of Indian scripts: the flow of Sanskrit words into the Malay language ceased and that source was replaced by Arabic. The Malay versions of the Indian epics, the Mahabharata and the Ramayana, were put in the background and replaced by writings with a Muslim bias. Malay versions of Hindu romances were often altered to give them a Muslim colouring. Indian aestheticism gave way to Muslim rigidity; and the convivial habits of the Malays were replaced by the strict teetotalism prescribed by Islam.

The Malay Kingdom of Malacca came to an end in 1511 when, after fierce fighting, the town was captured by a Portuguese fleet under Alfonso d'Albuquerque. The Malay ruler, Sultan Mahmud, fled to Johore where, in the course of time, he set up a new kingdom based on Johore, Pahang and the Riau Archipelago which became known as Riau-Johore.

The Portuguese held Malacca from 1511 until 1641 when they were dispossessed by the Dutch. They were crusaders rather than traders, and their compulsory conversions to Christianity made them detested by the Muslim Malays. In view of the scanty reinforcements which they received from Europe they encouraged their soldiers to inter-marry with the local women and enlisted the sons born of these unions in their armed forces. Lack of assistance from their home country was mainly responsible for the Portuguese defeat by the Dutch in 1641.

The Dutch conquerors of Malacca held their new possessions till 1795. In striking contrast to their predecessors they concerned themselves almost entirely with trade. When they were replaced

by the British they left behind in the town of Malacca a few interesting specimens of Dutch Colonial architecture which are still in use.

In 1795, during the Napoleonic wars, England took peaceable possession of Malacca, returned it to the Dutch in 1814 in accordance with the Convention of London, and finally regained possession of it by virtue of the Anglo-Dutch Treaty of Holland of 1824 which recognised the Malay Peninsula as being within the British sphere of influence.

The Kingdom of Riau-Johore.

Mention has already been made of the Kingdom of Riau-Johore which was founded by the fugitive Sultan of Malacca and which included Johore, Pahang, Trengganu, the Riau Archipelago and the Karimon Islands, and indeed loosely took in all those parts of Malaya over which the Portugese did not exert effective control, that is to say, almost the whole of Malaya for the Portugese (and their successors the Dutch) could command only the coastal areas between Malacca and Batu Pahat in Johore. These European nations, however, held command of the sea : an all-important factor which debarred their Malay enemies from legitimate trade and drove them all the more readily to piracy.

The Riau-Johore Kingdom, with its capital at Kota Tinggi, Johore, from the very outset had an uneasy existence. Its rulers were weak ; deprived of trade, its funds were low ; it was desolated by internecine conflicts, and it was not long before other enemies, this time non-European, appeared on the scene. Early in the 17th century a great and sinister figure made his appearance in the Archipelago : Iskandar Muda, Sultan of Aceh, in North Sumatra. His piratical hordes swept through Malaya massacring, pillaging and carrying away into captivity many thousands of Malays. Malacca was the only place that he failed to capture, but no other territory as far north as Patani was immune from his depredations. He completed the conversion of the Peninsular Malays to Islam by compelling conversion at the point of the sword.

This invasion further weakened the already weak position of the Riau-Johore Kingdom. The year 1699 was signalized by the murder of the Sultan, known posthumously as Marhum mangkat di-julang, the last and the most degenerate of the direct line of the old Malacca Kings. The extinction of the old royal stock of Malacca, in Johore, coupled with the periodical invasions of the Bugis which began to occur about this time, and to which reference is made below, commenced the disintegration of the Riau-Johore Kingdom which the Anglo-Dutch Treaty of 1824, by splitting up the Kingdom into English and Dutch spheres of influence, completed.

The successors of the murdered Sultan lost most of their power, and retired to Riau, leaving their Bendahara behind in Pahang, their Temenggong in Johore, and another high official in Trengganu. These chiefs, nominally the Ministers of the Sultan, eventually became the rulers in their respective States and the present royal families of Pahang, Johore and Trengganu are descended from them.

The Bugis from the Celebes began to swarm into the Malay Peninsula about the beginning of the 18th century. They were a bold piratical people and established a great name for themselves

as fighters. They were led by warriors with the name of Daing and Suliwatang and they often wore armour consisting of coats of chain-mail. The Bugis overran Johore and Selangor, made themselves felt in Perak, Pahang and Trengganu, and in the course of the century they invaded Kedah on several occasions. When they conquered a territory and settled there their chiefs invariably took wives from the local notables. The ancestors, on the male side, of the present royal families of Johore and Selangor are descended from the offspring of such unions. It is probable that, but for the presence of European nations in the Archipelago, the Bugis would have carved out for themselves quite a considerable kingdom in Malaya.

In 1773, the country now comprising Negri Sembilan inhabited by a people of Minangkabau origin who had extensively inter-married with the local Proto-Malays and who followed a matriarchal system of society, had seceded from the crumbling Riau-Johore Kingdom to form a confederation of little States under a Minangkabau Prince from Sumatra.

Relations between Siam and the Northern Malay States—Foundation of Penang.

Although Siamese aggression in the southern part of the Malay Peninsula had been effectively checked by Malacca in the 15th century the destruction of that Kingdom in 1511 by the Portuguese (who cultivated Siamese friendship) had the effect of reviving Thai pretensions to the Northern Malay States: Kedah, Kelantan and Trengganu. The Siamese suzerainty over these States was vague, fitfully exercised and often resisted. The practice, however, grew up for these States to send periodically to Siam a ceremonial present of "Golden Flowers" (bunga emas). This offering was claimed by Siam to be a mark of submission but by the Malays to be merely a sign of respect and friendship. The Siamese suzerainty, when exercised, was resented by the Malays and, in the case of Kedah, the issue became acute when Francis Light, in 1786 on behalf of the East India Company, took possession of the Island of Penang which hitherto had formed part of Kedah. Light had been negotiating with the Sultan for the cession of Penang. Chief among the terms demanded by the Sultan were a guarantee of military assistance in the event of attack upon Kedah by land (that is to say, by Siam, Selangor under the Bugis, or Burma) and the annual payment of a sum of \$30,000. Although Light forwarded these terms to India for acceptance and proceeded to take possession of the Island the Company vacillated upon the terms while declining to give up possession.

In 1791 the Sultan was defeated in an attempt to retake the Island by force. By a treaty made in 1800 between him and the Company the cession of Penang, to which Province Wellesley was now added, was confirmed, and the Company agreed to pay the Kedah ruler \$10,000 a year while they remained in possession of these places. The treaty was silent as to military assistance. Throughout the negotiations for the cession of Penang the Kedah ruler had omitted to consult Siam. The Siamese were furious at this ignoring of their suzerainty but they bided their time.

In 1821 came their opportunity for vengeance. A Siamese force under the Raja of Ligor invaded and conquered Kedah. No quarter was given to the inhabitants and many thousands were massacred, Kedah losing thereby, it was claimed, more than half its population. The Sultan was driven into exile and the Siamese assumed direct control of the country, a state of affairs which continued until 1842 when the Siamese officials were recalled and the ex-Sultan was reinstated though Perlis, which hitherto formed part of Kedah, was placed under a separate Raja. Kedah, however, together with Kelantan and Trengganu, remained under the suzerainty of Siam until 1909 when the Siamese, by the Treaty of Bangkok, transferred all their rights over these States and over Perlis to Great Britain.

Penang, the cession of which to the East India Company had been the source of such trouble for Kedah had, in many respects, a promising start. Acquired primarily as a naval base, it had an assured food supply from the agricultural region of Province Wellesley ; it was a free-trade port ; it allowed the occupation by settlers of such land as they could clear with a promise of title ; its status was raised in 1805 to that of a Presidency like Bengal, Madras and Bombay, and it was subject only to the control of the Governor-General of India. All these factors attracted to the Island a large and varied population and the stage seemed set for the development of Penang into a really important city. But the deaf ear turned by India to Francis Light's appeals for administrative assistance resulting in the necessary alienation of lands without prescribing rent or conditions of cultivation, and the omission to reserve land for public purposes, his dependence upon opium, arrack and gambling farms for revenue, and his dependence upon India for decisions greatly impeded the progress of Penang. The Indian habit of permitting officials to engage in local trade was another factor which militated against Penang's progress. But above all Penang as an important city was doomed by its inferiority as a sea-port to Singapore which, through the foresight of Thomas Stamford Raffles, was founded as the great natural trade entrepot in the Malay Archipelago.

Singapore.

Thomas Stamford Raffles, a young official in the employment of the East India Company at Penang, was the founder of Singapore. In 1808 he attracted the notice of Lord Minto, Governor-General of India, by his eloquent plea against the proposed abandonment of the ancient town of Malacca—a proposal put forward by the Directors of the East India Company on the ground that Malacca would soon have to be returned to their Dutch rivals.

Later, Lord Hastings, successor to Lord Minto, authorised Raffles to seek a trading-station south of Malacca on the route of English ships to the Far East, on a site not already occupied by the Dutch, the great rivals of the East India Company in their unceasing quest for profitable trade centres. Raffles decided upon the Island of Singapore, at that time included in the territories still nominally held by the rulers of the Kingdom of Riau-Johore. A difficulty in negotiating arrangements with the ruler was that the then nominal Sultan of that Kingdom, Abdurrahman, an appointee of the Dutch

and the Bugis, was not the eldest but the second son of the preceding ruler. The eldest son Husain had been ignored. Raffles solved the difficulty by entering into negotiations with Husain, and with the Temenggong of Johore, nominally the minister in Johore of the Riau-Johore Kingdom, but virtually the ruler of all Johore except the Muar district ; and in 1819, the Temenggong and Husain, now recognised by Raffles as Sultan, signed an agreement allowing the British to choose land for factories in return for annual allowances of \$5,000 to the Sultan and \$3,000 to the Temenggong. In 1824 a final agreement was concluded ceding Singapore in perpetuity to the British.

Raffles' policy of free trade for Singapore, his encouragement of settlers, and above all the natural advantage of Singapore as a port serving the whole of the Archipelago, led to the phenomenal development of the new town.

People of many races, above all the Chinese, thronged to Singapore as, in a lesser degree, they were thronging to Penang. The descendants of these Chinese were to become the pioneers of the Chinese immigration into the Malay States which began on a large scale in the latter half of the 19th century.

Raffles was a scholar of Malay with an intensely sympathetic interest in the local peoples of all races especially the Malays. He worked upon a scheme for a complete federation embracing the States of the Peninsula and of the Archipelago including Mindanao in the Philippines. He protested against the reintroduction of the slave trade and against slavery. He planned a Malay College for Singapore.

Establishment of British Protection in the Malay States.

Raffles strongly favoured British expansion not only in Malaya but elsewhere in the Archipelago. With his disappearance from the scene the ideal of a forward policy in this part of the world became dormant until it was awakened, in the last quarter of the century, by the rivalries of the great European powers and by the demands of British and Chinese capital seeking fresh fields for expansion coupled with the discovery of the rich mining resources of the Malay hinterland. The *laissez faire* policy of the successive British Governments and the unenterprising attitude of the East India Company (which governed the Straits till 1858), particularly sensitive to any venture savouring of expense, left the Malay States almost completely untouched although some of these States had asked for British protection.

In the seventies of the century, however, the British Government came to realize that a more progressive and realistic policy was necessary in its dealings with the Malay States. The administration of affairs in the Straits was now under the control of the Colonial Office to which it had been transferred from the India Office in 1867, and the new system enabled London to pay more attention to the Malay Peninsula.

The reasons which prompted the British Government to play a more positive part in the affairs of the native States were as follows :

FIRST—This was the period of annexation of many of the backward territories in the world by the great European nations.

If Britain did not take immediate action to dominate the Malay territories there was a grave danger that another European power would step in and do so. In this connection the granting by the Rajas of huge concessions of land wholesale to Europeans and others, a practice that became prevalent at this period, constituted a grave danger to the British position in the Malay Peninsula as there was always a possibility that these concessions would fall into the hands of the subjects of another European nation which would thus be provided with a pretext for interference in the Malay States. This danger was very real (and came chiefly from France, Germany and Russia).

SECONDLY—There was the danger from Siam. In 1873, the year before the signing of the Pangkor Treaty, she had almost succeeded in inducing Perak to come over to her as a tributary State ; she already had vague rights over the States of Kedah, Kelantan and Trengganu. But it was not so much Siam that was feared : the fact was that the very existence of Siam herself as an independent nation was imperilled by France. If Siam fell into the hands of the French then her Malay subject territories would automatically go to France too, and the stage would have been set for an Anglo-French war.

The THIRD reason which determined British intervention was that the position of the Western Malay States had deteriorated ; disputed succession to a Sultanate and quarrels (in which the Chinese took a prominent part) as to the ownership of lands rich in tin led to civil wars and to widespread disorders.

The FOURTH reason was the impulse of British capital (either European or owned by Malayan Chinese) attracted by the mineral wealth of the interior as demonstrated by the rich tin fields in Larut and elsewhere.

So in 1873, Sir Andrew Clarke, the new Governor of the Straits, came out armed with authority from the home Government for more active intervention in Malaya. The first result of the new policy was the Treaty of Pangkor with Perak in 1874. In the same and the following decade of the century there followed agreements with Selangor, with Sungei Ujong and the other little States of Negri Sembilan, and with Pahang. In 1909, after long negotiations with Siam, that country transferred to Great Britain her rights in the Northern States, and in the same year agreements were concluded with Kedah, Kelantan and Perlis, and in 1919 with Trengganu. Relations with Johore were regulated by a treaty made in 1914.

These treaties, either in their original form, or in the form in which some of them were later modified, were in their main features substantially similar. The provisions common to all these agreements were as follows :

- (1) The Malay States agreed to accept British protection and to have no dealings with foreign powers except through Great Britain.
- (2) Great Britain guaranteed the States protection against attack by foreign powers.

- (3) The agreement provided for the appointment to the State of a British Officer whose advice must be taken and followed except in matters concerning the Malay religion and Malay custom.

Some of the treaties contained no express mention of custom, but the undertaking not to interfere with custom was accepted as being implicit in all the agreements with the Malays, whether it was set forth in the actual words of the treaty or not.

Although the title of the British Officer appointed in pursuance of the treaties varied—in Perak, Selangor, Negri Sembilan and Pahang he was called Resident, in the other States, Adviser—it was never intended that there should be any difference in their functions : they were all meant to be advisers. But from the very start in Perak, Selangor, Negri Sembilan and Pahang the Residents not only advised on policy, they were placed in such a position that they had to see that any policy decided upon was put into operation ; they became in fact not alone advisers but the chief executive officers of the State. In the other States, on the other hand, the Advisers had almost always confined themselves to the giving of advice : the translation of that advice into action in internal affairs was a matter for the Malay administration.

The early Residents were faced with great difficulties : the Colony Government was not generous, and money had to be found to finance the new regime and put it on its feet, to compensate the Sultan and Chiefs for the withdrawal of their customary privileges of taxation, to construct roads, buildings and other public works and the like. It was decided to raise part of the revenue required by imposing rents on land as land. The Malays were accustomed to taxation only on the produce of land and this innovation (which was ultimately welcomed by the Malays) often caused considerable unrest at first. Then the Chiefs regarded as completely inadequate the allowances which they were given in lieu of their former perquisites. In some instances the valid claims of Chiefs, owing to the absence of accurate information at the Resident's disposal, were rejected. The Resident was given insufficient funds to set the administration at once on a sound basis, and yet he was expected, almost immediately the treaty was signed, to produce sensational results. Consequently, in some matters in which it would have been wise to have proceeded with caution, the Resident was compelled to act somewhat precipitately. One of the most delicate questions was the problem of slavery. The method ultimately evolved was to prohibit the creation of new slaves, and to provide that existing slaves could purchase their redemption for a small fixed sum. Another source of trouble was the direct use in some States, without reference to the Ruler or to the territorial Chiefs, of the Malay Forced Labour law (Kerah) for the carrying out of public works.

Apart from the personal factors involved, it was the cumulative effect of all these matters : the introduction of land-taxation in a form not understood by the Malays, the abolition of slavery, and the withdrawal of the revenue-collecting powers of the Rajas and Chiefs, that led to the Perak rising of 1874 and the Pahang rising of 1891-1892.

In time, however, the ability, patience and conciliatory attitude of the Residents led to a satisfactory adjustment of these difficulties. Chief among these early Residents were Sir Hugh Low, British Resident of Perak from 1875 to 1888, and Sir Frank Swettenham. Low's official diaries make interesting reading and show how Perak, from small beginnings, was built up stage by stage to the important State that it eventually became. Low was one of the outstanding men of the century in Malaya, a fitting second in his own sphere to Raffles. Not only did he leave Perak prosperous and well governed but Sultan Idris and he were largely responsible for the atmosphere of goodwill which existed between the Malays and other communities.

In 1895, Perak, Selangor, Negri Sembilan and Pahang were constituted into a Federation at the head of which was placed a Resident-General to whom the Residents were subordinated. This inaugurated the system of centralized Government in the Federated Malay States which lasted in varying forms till 1932. The Resident-General was the chief executive officer of the Federation. In 1909 was created a Federal Council on which the Rulers of the four States had seats. The Council took over practically all the legislative functions of the State Councils. The title of Resident-General was replaced by that of Chief Secretary with somewhat diminished powers, and the authority of the Residents was partially restored. In 1927 the Malay Rulers withdrew from the Federal Council and were replaced by four Unofficial Malay Members.

In 1932 came devolution or decentralisation whereby legislative powers were to some extent restored to the States, the authority of the Rulers and the Residents reinforced, and the post of Chief Secretary replaced by that of Federal Secretary with greatly diminished powers.

The cultivation of huge areas of land with para rubber, a product first planted in Malaya towards the end of the 19th Century, together with the development of new rich tin-producing areas and improved methods for tin-extraction in existing areas—enterprises in which Chinese and Indian labour under European and Chinese capital, and Malay small agriculturists played such a great part—opened up an era of phenomenal prosperity for Malaya in the current century. This prosperity was reflected in the opening up of communications on a large scale, in the growth of towns, the construction of public buildings, the development of irrigation areas for rice cultivation, the expansion of social services and in progress in many other respects.

This progress was brought to an abrupt halt when the Japanese invaded Malaya on the 8th December, 1941. During the enemy occupation for 3½ years, the great majority of Government servants were either interned or suffered the rigours of occupation.

On the eve of the campaign for the liberation of Malaya the Japanese government surrendered unconditionally. In September, 1945, a military administration was established under the command of the Supreme Allied Commander South East Asia and this administration remained unchanged until the establishment of the transitional Civil Government of the Malayan Union on the 1st April, 1946.

The Malayan Union comprised the British Settlements of Penang and Malacca and the former Federated and Unfederated Malay States. The administration of the Malayan Union continued throughout 1946 and 1947 under the arrangements set up under the Malayan Union Order in Council, 1946. The Federal Executive power was vested in the Governor who administered the territory and legislated in consultation with an Advisory Council, the members of which were nominated by himself.

The Federation of Malaya which succeeded the Malayan Union came into being on the 1st February, 1948, on the conclusion of the Federation of Malaya Agreement, 1948, between His Majesty the King and Their Highnesses the Rulers of the Malay States. A short summary of the Constitution of the Federation of Malaya is given below.

Their Highnesses the Rulers of the Malay States.

The present Rulers of the Malay States are :

- | | | |
|---|-------|---|
| (1) The Sultan of Johore | .. | H.H. Ibrahim ibni Almarhum Sultan Abu Bakar, D.K., S.P.M.J., G.C.M.G., K.B.E. (Mil.), G.B.E., G.C.O.C. (I). |
| (2) The Sultan of Pahang | .. | H.H. Abu Bakar Ri'ayatuddin Al-Muadzam Shah ibni Almarhum Almu'tasim Bi'llah Abdullah, K.C.M.G. |
| (3) The Yang di-Pertuan Besar of Negri Sembilan | .. | H.H. Tuanku Abdul Rahman ibni Almarhum Tuanku Muhammad, K.C.M.G. |
| (4) The Sultan of Selangor | .. | H.H. Hisamuddin Alam Shah ibni Almarhum Sultan Alauddin Sulaiman Shah, K.C.M.G. |
| (5) The Sultan of Kedah | .. | H.H. Tunku Badlishah ibni Almarhum Sultan Abdul Hamid Halim Shah, K.C.M.G., K.B.E. |
| (6) The Raja of Perlis | .. .. | H.H. Syed Putra ibni Almarhum Syed Hassan Jamalullail, C.M.G. |
| (7) The Sultan of Kelantan | .. | H.H. Tengku Ibrahim ibni Almarhum Sultan Mohamed IV, D.K., S.P.M.K., S.J.M.K., K.C.M.G. |
| (8) The Sultan of Trengganu | .. | H.H. Sultan Ismail ibni Almarhum Sultan Zainal Abidin, C.M.G. |
| (9) The Sultan of Perak | .. | H.H. Paduka Sri Sultan Yussuf 'Izzuddin Shah ibni Almarhum Sultan Abdul Jalil Radziah Hu-'an-hu, K.C.M.G., O.B.E. |

CONSTITUTION OF THE FEDERATION OF MALAYA.

The Constitution of the Federation of Malaya came into existence on the 1st February, 1948, as a result of :

- (a) the Federation of Malaya Agreement, 1948, between His Majesty and Their Highnesses the Rulers of the Malay States of Johore, Pahang, Negri Sembilan, Selangor, Perak, Kedah, Perlis, Kelantan and Trengganu ; and
- (b) the State Agreements between His Majesty and Their Highnesses the Rulers of the Malay States ; and
- (c) the Federation of Malaya Order in Council, 1948.

The State Agreements.

The State Agreements made between His Majesty and the Malay Rulers provide that, subject to the provisions of the State and Federation Agreements, the Rulers shall enjoy the prerogative, power and jurisdiction which they enjoyed prior to the Japanese occupation. His Majesty has complete control of the defence and of the external affairs of the Federation.

Each Malay Ruler undertakes to govern his State subject to the provisions of a written constitution, and the State Agreements also provide that the Ruler desires, and His Majesty agrees, that it shall be a particular charge upon the Government of the State to provide for and encourage the education and training of the Malay inhabitants of the State so as to fit them to take a full share in the economic progress, social welfare and Government of the State and of the Federation.

The Federation Agreement.

The Federation Agreement which is the main document embracing the Federation of Malaya Constitution establishes, under the protection of Great Britain, a Federation called the Federation of Malaya which consists of the nine Malay States and of the Settlements of Penang and Malacca. Power is reserved to His Majesty and to Their Highnesses the Rulers by mutual agreement from time to time to admit within the Federation any other territory.

Under the Federation Agreement, the Central Government of the Federation comprises a High Commissioner appointed by His Majesty, a Federal Executive Council to aid and advise the High Commissioner, and a Federal Legislative Council.

The Agreement records the desire of His Majesty and Their Highnesses that progress should be made towards eventual self-government, and as a first step to that end, His Majesty and Their Highnesses have agreed that as soon as circumstances will permit legislation will be introduced for the election of members to the several legislatures.

The High Commissioner.

In exercise of his executive authority the High Commissioner has the following special responsibilities :

- (a) the protection of the rights of any Malay State or any Settlement and of the rights, powers and dignity of Their Highnesses the Rulers ;

- (b) the prevention of any grave menace to the peace and tranquillity of the Federation or any Malay State or Settlement comprised therein ;
- (c) the safeguarding of the financial stability and credit of the Federal Government ;
- (d) the safeguarding of the special position of the Malays, and of the legitimate interests of other communities.

Federal Executive Authority.

The Executive authority of the Federation extends to matters with respect to which the Federal Legislative Council has power to pass laws, as defined in the Second Schedule to the Federation Agreement. This Federal Legislative list is extremely comprehensive. In certain cases laws made by the Federal Legislature may confer executive authority on the States and Settlements. The Federal Executive Authority is exercised by the High Commissioner either directly or through officers subordinate to him. He is empowered to delegate Federal Executive powers to the Government of any State with consent of the Ruler concerned, or to a Settlement Government.

Federal Executive Council.

The High Commissioner presides over the Executive Council, which consists of 3 *ex officio* members, not less than 4 official members and not less than 5 or more than 7 unofficial members, of whom not less than 2 in the former case and 3 in the latter case are Malays.

Federal Legislative Council.

The Council consists of a High Commissioner as President, 3 *ex officio* members, 11 State and Settlement members, 11 official members, and 50 unofficial members. The State and Settlement members (who have the same freedom as unofficials to speak and vote) consist of the 9 Presidents of the Councils of State in the States and one representative of the Settlement Council in each Settlement selected from among themselves by the members of such Council. The 50 seats for the unofficial members are allotted as follows :

Labour	..	..	..	..	..	..	..	6
Planting (rubber and oil palms) :								
(a) Public companies	..	..	..	..	..	..	..	3
(b) Proprietary estates and small holdings	..	..	..	..	..	..	..	3
Mining	..	..	..	..	..	..	..	4
Commerce	..	..	..	..	..	..	..	6
Agricultural and husbandry	..	..	..	..	..	..	..	8
Professional, educational and cultural	..	..	..	..	..	..	..	4
Settlements	..	..	..	..	..	..	..	2
States	..	..	..	..	..	..	..	9
Eurasian community	..	..	..	..	..	..	..	1
Ceylonese community	..	..	..	..	..	..	..	1
Indian community	..	..	..	..	..	..	..	1
Chinese community	..	..	..	..	..	..	..	2

The official languages of the Legislative Council are English and Malay.

Powers of Legislative Council.

The powers of the Legislative Council to make laws for the Federation extend to the matters set out in the Second Schedule to the Federation Agreement and Bills passed by the Council require the assent of the High Commissioner and of the Rulers expressed by a Standing Committee consisting of two Rulers. If the High Commissioner considers that it is expedient in the interests of public order, public faith or good Government that any Bill introduced, or any motion proposed for discussion in the Legislative Council should have effect, and if the Council fails to pass the Bill or motion within such time and in such form as the High Commissioner may think reasonable and expedient, the High Commissioner has "reserved power" to give effect to the Bill or motion as if it had been passed by the Council.

The Rulers and the Conference of Rulers.

There is established under the Federation Agreement a Conference of Rulers consisting of all the Rulers of the Malay States. The Conference meets whenever necessary under the chairmanship of any one of the Rulers as may be selected at the Conference and meets the High Commissioner at least three times a year.

Except in cases of urgency the High Commissioner is required to send to each of the Rulers an advance copy of every Bill which it is intended to bring before the Legislative Council. Every new draft salary scheme for Federal Public Officers and every draft scheme for the creation or major reorganisation of a department of the Federal Government is also sent to Their Highnesses and may be discussed in the Conference of Rulers if desired.

It is the duty of the High Commissioner to explain to the Rulers the policy of the Federal Government on matters of importance to the Malay States and to ascertain the views of the Rulers. It is also the particular duty of the High Commissioner to consult the Conference of Rulers from time to time upon the immigration policy of the Government and in particular when any major change in such a policy is contemplated by the Federal Government.

The Malay States.

There is in each Malay State a State Executive Council and a Council of State. The State Agreement provides for the promulgation of a written constitution for each State in conformity with the relevant parts of the Federation Agreement.

Executive Authority in the States.

Executive Authority in each State is exercised by the Ruler either directly or through State officers in his name. State Executive authority extends to all matters which are not included in the sphere of the Federal authority ; and the Ruler in the exercise of his executive functions is aided and advised by the State Executive Council.

Council of State.

The Council of State may pass laws on any subject :

- (a) other than those in respect of which the Federal Legislative Council has power to pass laws ;

(b) in respect of which the Federal Legislative Council has powers of legislation to the Council of State.

A Bill passed by a Council of State requires the assent of the Ruler of the State. Any law passed by a Council of State is void in so far as it is repugnant to a law passed by the Federal Legislative Council. The Councils of State are empowered to legislate on matters relating to the Muslim religion and the custom of the Malays. In each State's sphere of responsibility each Ruler possesses a reserved power similar to that of the High Commissioner referred to above.

The Settlements of Penang and Malacca.

The Federation Agreement incorporates the Settlements of Penang and Malacca into the Federation and provides that their administration shall be in such manner as His Majesty may from time to time prescribe by Order in Council. The Agreement provides for the Constitution of a Settlement Council in each of the two Settlements.

Financial.

Schedules attached to the Federation Agreement define the sources of revenue for the Federation Government, on the one hand, and for the State and Settlements Governments on the other, and the Heads of Expenditure for which the various authorities are responsible. Where expenditure to which States and Settlements are committed exceeds their own revenue, block grants are made from Federal revenues to enable State and Settlements to meet their approved expenditure. In addition to the expenditure budgeted for by States and Settlements a certain sum is granted each year for expenditure on unforeseen services. The amount varies according to the expenditure of the State and Settlement concerned.

CHAPTER III.

THE ADMINISTRATIVE ORGANISATION OF GOVERNMENT INCLUDING THE SYSTEM OF LOCAL GOVERNMENT.

The Malayan Union administration continued in being until 31st January, the central executive power being vested in the Governor, assisted by an Advisory Council. On 1st February the Federation of Malaya was established by Agreement, the details of which are given in Part II, Chapter II.

The seat of the Federal Government is in Kuala Lumpur and it is here the High Commissioner resides and Federal Legislative and Executive Councils meet. Kuala Lumpur is also the headquarters of the General Officer Commanding, Malaya District (which covers the Malayan mainland excluding the State of Johore), and of the majority of the Federal Departments of Government.

During the emergency the Advanced Headquarters of the Air Officer Commanding, Malaya, was established here.

Under the Federation of Malaya Constitution the executive authority in each Malay State is vested in the Ruler, whose chief executive officer is the *Mentri Besar* (or Prime Minister). There is a Council of State which has legislative powers in all matters not reserved for the Federal authority, and to aid and advise the Ruler in the exercise of his executive functions there is a State Executive Council. There is a British Adviser in each Malay State, whose duty it is to advise on all matters connected with Government of the State other than matters relating to the Muslim religion and the custom of the Malays.

In the Settlements of Penang and Malacca the chief executive officer is the Resident Commissioner. There is a Settlement Council with legislative powers similar to those exercised by the Councils of State in the Malay States.

The States and Settlements are divided into administrative districts in which the chief Government representative is usually the District Officer, a member of one of the Administrative Services who is responsible to the *Mentri Besar* or the Resident Commissioner for the general administration of the district. The lowest administrative division is the *Mukim* (i.e., Parish) in which the representative of the administration is the *Penghulu* or *Penggawa* (or local headman) elected, usually for life, by the votes (either secret ballot or show of hands) of his constituents, the result of such voting being submitted to the Ruler of the State or Resident of the Settlement for approval or otherwise of the appointment. Only on the rarest occasions has it been found expedient to set aside the choice of the people. The elected *Penghulu* or *Penggawa* is almost invariably a responsible middle-aged man of good standing in the locality. On being elected to the appointment he becomes a paid servant of the State or Settlement, is granted remission, as long as he remains in office, of land rent on a certain varying acreage of his property and becomes, with the assistance of three or four subordinate "Naibs" or "Sidangs" (also Government representatives, though usually without emolument other than remission of land rent) responsible for the good order and progress of his *mukim* as well as the channel through which requests from his people and instruction and advice from Government are transmitted. In each *mukim* monthly (or at times weekly) meetings of the Naibs (Assistant *Penghulus*) and the various *Ketua* (or headmen of each small collection of houses) are presided over by the *Penghulu* to discuss local matters and disseminate information from Government; while each district commonly holds a monthly *Penghulus'* meeting under the chairmanship of the District Officer. It will be seen therefore that the *Penghulu*—(usually some 15 to 40 per district) together with their assistants (some 45 to 150 in total per district)—constitutes the essential link between Government and people; and present trends of development are to better his position and increase his power wherever possible by affording him both such further privileges as may be possible to offer and every opportunity of attending Agricultural, Veterinary and General Instructional courses, whilst resisting any

temptation to destroy the patriarchial nature of his influence by incorporating him too closely into the texture of Government—a step which would entail the Penghulus becoming a whole-time Government servant, subject to transfer from mukim to mukim in order to achieve effective promotion—with all the loss in personal influence that such transfer would make inevitable.

In each State and Settlement there are both departmental officers of State and Settlement Departments (e.g., Medical Department, Educational Department, who are responsible to the Mentri Besar or the Resident Commissioner) and departmental officers of Federal Departments (e.g., Telecommunications Department, Postal Department, who are responsible to their head of department in Kuala Lumpur, but work closely with the Mentri Besar, the Resident Commissioner and District Officers on any matters concerning the States and Settlements).

Many of the administrative and departmental officers in districts are Asians and it is the unswerving policy of Government to encourage the training of local persons to fill the higher administrative and departmental posts as soon as possible. Much has been achieved in this direction since the liberation ; but as the training of officers at Universities and Colleges, particularly for technical posts, takes several years the effect of this policy will not be felt until about 1952.

Municipalities already existed in Georgetown, Penang, and the Town and Fort of Malacca at the beginning of the year and a Municipality was established in Kuala Lumpur during the year. These are administered by a President (who is a senior officer of the Administrative Service). Municipal Commissioners in Penang and Malacca are nominated partly by the Resident Commissioner and partly by representative associations, and are appointed by the High Commissioner. In Kuala Lumpur representative associations are asked to submit names and the Municipal Commissioners are appointed by the Ruler in Council. The Municipal Commissioners impose rates and administer such matters as town planning, street lighting, town cleansing and conservancy, fire services, the licensing of theatres, lodging houses and certain trades.

Local matters in other town and village areas are controlled by Town Boards in the States and in the Settlements by Rural Boards under the chairmanship of the local administrative officer. These Boards are composed partly of local heads of such departments as Health, Public Works, Police, Electricity and Social Welfare and partly of unofficial members representing the main races and major interests in the town or rural area. These Boards perform duties similar to those of the Municipalities but do not enjoy the same degree of autonomy as the Municipalities.

There are in addition Licensing Boards in respect of the sale of intoxicating liquor and Drainage Boards in the coastal areas, composed of official and unofficial members, on lines similar to the Town Boards.

In accordance with the Federation of Malaya Agreement the Muslim religion and matters concerning Malay custom are matters exclusively for Their Highnesses' control and are not mentioned in this report.

CHAPTER IV.

WEIGHTS AND MEASURES.

The standard measures recognised by the laws of the Federation of Malaya are as follows :

- (a) Standard of Length, the Imperial yard.
- (b) Standard of Weight, the Imperial pound.
- (c) Standard of Capacity, the Imperial gallon.

Among the Asiatic commercial and trading classes, Chinese steel-yards (called "liteng" and "daching") of various sizes are generally employed for weighing purposes.

The undermentioned are the principal local measures of weight and capacity used, with their relation to English standards :

The chupak	..	—	1 quart
The gantang	..	—	1 gallon
The tahlil .. ..	..	—	1 $\frac{1}{3}$ ozs.
The kati (16 tahils)	—		1 $\frac{1}{3}$ lbs.
The picul (100 katis)	—		133 $\frac{1}{3}$ lbs.
The koyan (40 piculs)	—		5,333 $\frac{1}{3}$ lbs.

The more common local measures of length in use are :

2 jenkals	..	..	—	1 hasta
2 hastas	..	..	—	1 ela
2 elas .. ..	..	..	—	1 depa (1 fathom or 6')
4 square depas	..	—		1 square jemba (144 sq')
400 square jembas	..	—		1 square orlong (1 $\frac{1}{3}$ acres)

Other weights in common use are :

10 huns	..	..	—	1 chi
10 chi .. ..	..	..	—	1 tahlil (1 $\frac{1}{3}$ ozs.)
1 bahara (3 piculs)	..	—		400 lbs.
1 kuncha	..	..	—	160 gantangs
1 nalih	..	..	—	16 gantangs
1 gantang padi	..	—		5 lbs. approximately
1 gantang rice (milled)	—			8 lbs. approximately
1 relong	..	..	—	.71 acres
1,000 square depas	..	—		1 acre

CHAPTER V.

NEWSPAPERS AND PERIODICALS.

The following is a list of newspapers and periodicals published in the Federation of Malaya :

NEWSPAPERS.

English.

Malay Mail (Kuala Lumpur)	Pinang Gazette and Straits
Malaya Tribune (Kuala Lumpur)	Chronicle (Penang)
Malaya Tribune (Ipoh)	Straits Echo (Penang)
„ „ (Penang)	Times of Malaya (Ipoh)

NEWSPAPERS—(cont.)

Chinese.

China Press (Kuala Lumpur)	Sing Pin Jih Pao (Penang)
Kin Kwok Daily News (Ipoh)	Kwong Wah Yit Poh (Penang)
Modern Daily News (Penang)	

Tamil.

J a n a n a y a k a m (Kuala Lumpur)	Muyarchi (Penang)
Tamil Nesan (Kuala Lumpur)	Dhesa Nesan (Penang)
	Sevika (Penang)

Malay.

Majlis (Kuala Lumpur)	Warta Negara (Penang)
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Punjabi.

Pardesi Khalsa Sewak (Kuala Lumpur)

PERIODICALS.

English.

Sunday Mail (Weekly)— (Kuala Lumpur)	Young Malaysians (Fortnightly) (Kuala Lumpur)
Sunday Tribune (Weekly) (Kuala Lumpur, Ipoh and Penang)	Malayan Pictorial Observer (Monthly)—(K. Lumpur)
Sunday Gazette (Weekly)— (Penang)	The Kris (Monthly)—Kuala (Lumpur)
The Cosmopolitan Friendship (English Quarterly)—(Batu Pahat, Johore)	

Chinese.

Oversea-Chinese Weekly (Kuala Lumpur)

Malay.

Panduan Ra'ayat (Weekly)— (previously <i>Chermin</i> <i>Malayu—fortnightly</i>) (Kuala Lumpur)	Pengasoh (Weekly)—(Kota Bahru, Kelantan)
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Tamil.

J a n o b a h a r i (Weekly)— (previously <i>Malaya</i> <i>Varthamani — fortnightly</i>) (Kuala Lumpur)	Tamil Kodi (Monthly)— (Malacca)
Tamil Chudar (Weekly)— (Kuala Lumpur)	Tamilasirian (Monthly)— (Malacca)
Selangor Tamil Church Deepilela (Quarterly)—(K. Lumpur)	

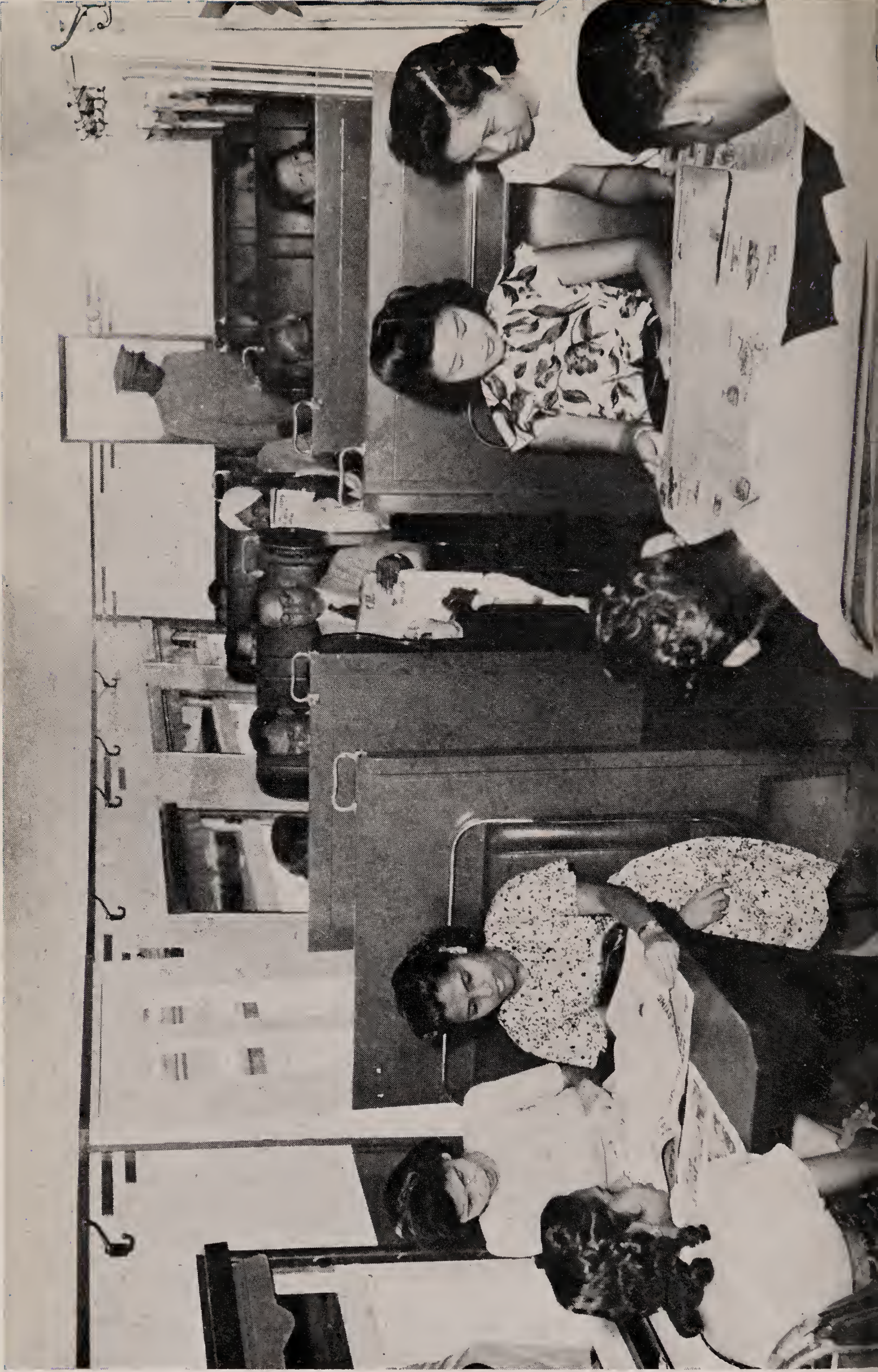
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Special Constables Guarding
Estate Barrier.



New Second Class Coach,
Malayan Railway.

Locomotive Turntable,
Malayan Railway.





Weighing Rubber in Malay
Co-operative Rubber Store.

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APPENDIX.

INCOME TAX.

The Income Tax Ordinance, 1947 (No. 48 of 1947) was brought into force on the 1st January, 1948, and the 1st January, 1948, was appointed as the date of commencement of the first year of assessment. In July, 1948, an amending Bill designed to give effect to the recommendations of the Income Tax Joint Committee was introduced into Legislative Council and was enacted as the Income Tax (Amendment) Ordinance, No. 11 of 1948. Rules prescribing the forms of return and assessment to be used; the depreciation rates to be allowed in respect of plant and machinery; and the method of collection of income tax by deduction from employees' remuneration were made subsequently by the Malayan Board of Income Tax.

Owing to the close economic relations existing between the Federation and the Colony of Singapore it was considered essential that the tax should be operated on a pan-Malayan basis. The Federation and the Colony Ordinances are, therefore, in all but a few minor respects, identical, and it is provided that a taxpayer resident in either territory shall make one return of his combined income from the Federation and from the Colony, and that only one assessment shall be made on his income. The net proceeds of the tax in such cases will, in due course, be allocated between the two Governments.

The normal basis of assessment is the income of the year preceding the year of assessment, due provision being made for adjustment where sources of income commence or cease, and in other cases where the normal basis is inapplicable.

Provision was made in the amending Ordinance for the allowance of rehabilitation expenditure for persons engaged in mining and planting. Persons, other than miners or planters, were given the right to elect, for the year 1948 only, to be assessed on their income for that year instead of their income for the preceding year.

In the case of individuals, a personal allowance (\$3,000 for a single person and \$5,000 for a married person) is deductible from assessable income to arrive at the chargeable income. Allowances are also made, where the conditions of the Ordinance are satisfied, in respect of children up to nine in number, for life assurance premiums paid, and for obligatory or contractual contributions to approved pension or provident funds. The chargeable income remaining after all proper deductions have been allowed is taxed at varying rates commencing at 3 per cent. on the first \$500 of

chargeable income and rising to 30 per cent. on chargeable income in excess of \$50,000. The following table shows the tax payable at various levels of income :

Assess- able income.	TAX PAYABLE.				
	Single Man.	Married Man (no children).	Married Man (three children).	Married Man (six children).	Married Man (nine children).
\$	\$	\$	\$ c.	\$ c.	\$ c.
3,000	—	—	—	—	—
4,000	35	—	—	—	—
5,000	90	—	—	—	—
6,000	160	35	—	—	—
7,000	240	90	7 50	—	—
8,000	320	160	47 50	13 50	—
9,000	420	240	107 50	57 50	29 00
10,000	520	320	180 00	121 50	81 00
12,000	760	520	345 00	276 00	228 00
15,000	1,180	880	670 00	574 00	505 00
17,500	1,555	1,255	992 50	874 00	802 00
20,000	2,030	1,630	1,367 50	1,247 50	1,157 50
25,000	3,030	2,630	2,280 00	2,120 00	2,000 00
30,000	4,030	3,630	3,280 00	3,120 00	3,000 00
50,000	8,030	7,630	7,280 00	7,120 00	7,000 00
100,000	22,730	22,130	21,605 00	21,365 00	21,185 00

Companies are subject to a flat rate of 20 per cent. on their profits as adjusted for Income Tax purposes. A company resident in the Federation is entitled to deduct tax at this rate from dividends paid to its shareholders.

The amendment of the legislation in July, 1948, prevented the work of assessing being started before the last quarter of the year and the early part of the year was occupied in the preparatory work of recruiting and instructing staff and compiling records of potential taxpayers. It was not possible to have the return forms ready for issue until the 1st November and the first assessments were made and notices sent out towards the end of that month.

The progress up to the 31st December was as follows :

Number of assessments made	..	..	1,123
Total tax charged in these assessments	..	\$3,116,255	
Total tax collected	..	..	\$2,307,438

This represents a small fraction of the assessments to be made for the year of assessment 1948, and therefore the figures have not been analysed.

APPENDIX II.

THE EMERGENCY.

A proper perspective of the events which caused the declaration of a state of emergency in June, can only be obtained from a survey of the tactics followed by the Communists since the liberation in their efforts to gain effective control of labour in Malaya. From 1945, when their initial hopes of taking advantage of the Japanese collapse to set up Communist administrations by means of the Resistance Forces known as the Malayan Peoples' Anti-Japanese Army were frustrated, they endeavoured to achieve their ends by setting up General Labour Unions directly under their own control and by infiltrating into newly formed Trade Unions which it was the policy of the Government to foster. While the Government was doing everything possible to encourage the building up of a stable and organically sound Trade Union movement which should have the inherent strength to withstand the post-war world-wide threat of Communist infiltration, the Communists sought by every means in their power to anticipate this object and obtain the control they sought before it was too late. It was in fact a race against time and by the middle of 1948 it was apparent to the Communists that their tactics had failed. Despite the hardship of post-war economic conditions—so favourable to Communist propaganda—the inherent good sense of responsible labour leaders strengthened by the tireless efforts of the Trade Union Adviser and his staff had in great measure withstood the Communist challenge. The policy pursued by the Communists was to secure as many of the key positions as possible in Trade Unions for their own adherents and to concentrate their strength on the formation of larger Unions or Associations of Unions which would enable them to organise agitation and strike action involving the largest numbers possible while at the same time creating the widest gap between the labourers and their Union executive to ensure ignorant but unquestioning obedience. By securing the key posts in such wide Associations they hoped to stultify the genuine and local efforts of labour leaders in its component parts. This policy was embodied in the Pan-Malayan Federation of Trade Unions which was under direct Communist domination. By early 1948 the struggle was reaching its climax and the Communists were testing their strength by the promotion of numerous strikes and labour unrest on trivial pretexts all over the country. Nevertheless there were not wanting signs that many of the Unions were dissatisfied with P.M.F.T.U. domina-

tion and the Communists resorted to methods of violence, intimidation and extortion in the attempt to restore their waning position. The *coup de grace* to their hopes was administered when legislation was passed through all its stages on the 31st May to provide for the restriction of office-bearers of trade unions (with the exception of the Secretary) to persons who had a minimum of three years' experience in the industry concerned; the prevention of persons convicted of extortion, intimidation and other similar crimes from holding such office and finally the prohibition of the federation of trade unions otherwise than on an industrial or occupational basis. This directly nullified the Communist tactics and neither the P.M.F.T.U. nor its satellite State Federations made any attempt to adapt their system or organisation to the new requirements. Their labour infiltration tactics had failed and they turned to their other weapon—violence.

This change of tactics was undoubtedly also hastened by the increasing use which the Government had begun to make of its powers of banishment and which made it necessary for the known Communist leaders to go underground.

The extent to which the Communists had succeeded in dominating the Trade Union movement was shown by the numbers of Unions which ceased to exist as soon as their Communist masters abandoned them and took to the jungle. At the beginning of 1948 there were 289 Unions on the register. Although 42 Unions were added during the year, at the beginning of 1949 there were only 162 Unions on the register and 25 applications under consideration. The certificates of the remainder had been cancelled on *ilurefa* to show cause to the contrary.

The intensification of the campaign of violence resolved itself in June into murderous attacks on individuals employed in the country's basic rubber and tin industries. A succession of incidents in the first two weeks of that month culminating in the murder of three European planters on one day made it clear that drastic action would be necessary to suppress the wave of terrorism which had broken out and on the 16th June a state of emergency was declared under the B.M.A. (Essential Regulations) Proclamation.

Regulations were published giving wide powers to the Government and imposing heavy penalties for assisting the bandits, including the death penalty for carrying arms.

Among the powers conferred on Government by the Essential Regulations, the following were perhaps the most important :

To order detention for a period up to one year.

To declare protected places.

To raise a force of Special Constables.

To take possession of buildings and vehicles.

To control movement on the roads.

To disperse assemblies.

To impose curfews.

Increase in powers of arrest and search without warrant.

Enhanced and new penalties in connection with unlawful possession of arms.

As it was held to be undesirable that the powers conferred on Government should rest on a military proclamation, an Emergency Regulations Bill, repealing the pre-war legislation in the various component parts of the Federation was introduced and passed through all its stages at a meeting of Legislative Council on 5th July. New Regulations under this Ordinance were then made and the regulations under the Essential Regulations Proclamation were revoked.

Other regulations of importance under the new Ordinance concerned the following :

Dissemination of false reports (and personation of police officers) became a criminal offence.

Powers were given to take control of businesses if the profits were likely to go to bandit funds.

The provisions of the Register of Criminals Enactment on fingerprints and photographs were applied to persons detained under the Emergency Regulations.

All but capital offences were made triable by District Courts; statements to the police became admissible in evidence; trials might be held *in camera* or the names of witnesses withheld from publication.

Meanwhile the pattern of the bandits' strategy was becoming clearer. Attacks were being concentrated largely on estates and mines and it was of paramount importance to put them in a state of defence. It was decided to raise a force of Special Constables for this purpose. Recruiting started on 26th June and within three months nearly 24,000 men had been enrolled. By the end of the year the figure was nearly 30,000, the great bulk of whom were Malays. These men were, with comparatively few exceptions, totally untrained and means had to be found to give them essential basic training and to put them under discipline. The Army made training teams available which toured the country but the teams

were not, of course, able to remain in any place for more than a short period. Advantage was taken of the demobilisation of the Palestine Police Force to make possible the recruitment of several hundred British Sergeants for posting to groups of estates and mines to take charge of the Special Constables. They began to arrive by specially chartered aircraft in the second half of August, and, in the bad areas, relieved managers of estates and mines of a strain which had become well-nigh insupportable. If it had not been for the indomitable determination of planters and miners to stand fast during the early months of the emergency, the loyal support they received from their staff and labourers and the magnificent response of the Malay community to the call for Special Constables to provide static defences for the estates and mines, large areas of the country might have fallen under Communist control and so made possible the establishment of small Communist Republics—one of the terrorists' declared aims.

In addition to the Special Constables, who were in full-time paid employment, provision was made for the enrolment of Auxiliary Police. This force consisted of men of all races in civil employment who were prepared to give their services voluntarily on a part-time basis. They were largely recruited in the towns and they were used to relieve the regular Police of any duties which did not require special qualifications. The total number at the end of the year was 16,966. In many States kampong Guards were organised whose duties were to keep a sharp look-out for strangers and to make reports to the Police.

Plans for greatly strengthening the regular Police in all ranks were put in hand. During the Japanese occupation the Police Force had become completely demoralised and although great strides had been made since the liberation in September, 1945, and the vital factor of morale had been restored, the Police were still much below strength in both men and modern equipment, although the success they had achieved in the reduction of post-war crime as evidenced by the chart shown at the end of this appendix was remarkable. The Headquarters organisation in particular, both in Kuala Lumpur and in each of the States and Settlements, was found to be inadequate for dealing with the situation which had arisen. For the work connected with the recruitment of Special Constables, officers from other Departments were attached to the Police Headquarters in Kuala Lumpur and in each of the States and Settlements, and did valuable work. Again it was fortunate that it was possible to draw on the reservoir of the Palestine Police Force for many of the officers to fill the much enlarged establishment which was approved. Foremost

among these was Mr. W. N. Gray, C.M.G., D.S.O., formerly Inspector-General of Police in Palestine, who in July had paid a brief visit to Malaya to give Government the benefit of his advice in the light of his experiences of terrorism in Palestine. Mr. Gray was appointed to be Commissioner of Police for the Federation in August to fill the vacancy caused by the retirement on medical grounds of Mr. H. B. Langworthy.

The task of providing arms, equipment and clothing for the new additions to the Police, including the Special Constabulary and the Auxiliaries, was a formidable one and the shortage was acute in the early stages. Arms and ammunition, including rifles and Stenguns in large quantities, were however immediately made available from local Army stocks. The R.A.F. were also able to assist and the Commonwealth Government of Australia flew a quantity of arms and ammunition to Singapore. So far as resources would permit, automatic weapons were issued to planters and miners who were in addition given facilities for importing them on their own account. A considerable quantity was imported in this way from the United States by mining and planting companies.

A serious deficiency was the lack of Police wireless communications. Orders for a limited quantity of equipment had been placed before the emergency began but had not arrived. Army sources were, however, able to supply sufficient sets to establish a network from the Headquarters in Kuala Lumpur to the Headquarters of each State and Settlement and the necessary operating staff was provided from Naval, Army and R.A.F. personnel. Orders were placed for a large number of additional sets and arrangements made for the training of operators. Not all these had arrived by the end of the year but substantial progress had been made with the construction of a comprehensive network of wireless communications. Unfortunately it proved impossible to find a suitable officer to fill the post of Chief Signals Officer and this was a considerable handicap.

From the time that a state of emergency was declared, the whole resources of the Army were made available to aid the Civil Government in the campaign against the Communist bandits. The following units were stationed in the Federation in June :

North Sub-District—

2nd Bn. King's Own Yorkshire Light Infantry

1/6th Gurkha Rifles

2/2nd Gurkha Rifles

1st Bn. the Malay Regiment

2nd Bn. the Malay Regiment

Central Sub-District—

2/6th Gurkha Rifles

1/7th Gurkha Rifles

2/7th Gurkha Rifles

26th Field Regiment Royal Artillery

Johore Sub-District—

1st Bn. the Seaforth Highlanders

1st Bn. the Devon Regiment

1/10th Gurkha Rifles

and more troops were made available immediately from Singapore District.

In August a battalion of the Royal Inniskilling Fusiliers arrived from Hong Kong and, in response to an urgent request for additional troops, the 2nd Guards Brigade was sent from the United Kingdom and arrived at the end of September. Intensive training in jungle warfare was arranged for the troops who had newly arrived and, as an interim measure, a number of small units were formed under officers most of whom had had experience in Force 136 during the war. The rank and file of these units were for the most part Malays from the Malay Regiment and Gurkhas, and the units were collectively known as Ferret Force. Attached to this Force were Dyaks from Borneo whose experience of tracking in jungle proved to be of great value. As the Army became more experienced in local conditions, the need for Ferret Force declined and it was wound up towards the end of the year. In its place was created a Civil Liaison Corps, composed of Europeans and Chinese with local knowledge, the members of which could be attached to Army units to facilitate contacts with the local population.

At an early stage of the emergency, the Air Officer Commanding Malaya established an Advanced Air Headquarters at Kuala Lumpur and brought up Dakotas and Spitfires from Singapore. Valuable reconnaissance work was done and reinforcements of troops, police, arms and ammunition and stores were flown to whatever part of the country most urgently needed them. Air-strikes with rockets were carried out by Spitfires when accurate information was available as to the whereabouts of a bandit hideout. Care was taken to ensure that such strikes were only directed against jungle areas where there was no danger to the civil population. The technique of supply-drops was studied and became of great value at a later stage when it became possible to keep troops supplied in deep jungle without the necessity of previously prepared dropping-zones.

Coastal patrols for the purpose of intercepting attempts at illegal immigration or the smuggling of arms and ammunition in to the bandits were instituted at an early stage by the Navy who were assisted by the R.A.F. The Navy took over operational control of all inshore as well as off-shore patrols including a small number of craft operated by the Police. Although unspectacular, the part played by these patrols was an essential one and undoubtedly deterred intending illegal immigrants from making the attempt.

The identification of terrorists and prevention of their free movement by ordinary transport was clearly a matter of great importance and in September the details of a form of National Registration were agreed on but work was completed before the end of the year on only two portions of the scheme :

- (a) a "sealed" belt about 20 miles wide along the Siamese frontier where only Chinese were at first registered ; and
- (b) the Settlement of Penang where all residents were registered.

Work in the Frontier Area was intended to check illegal Chinese immigrants who might aid the bandits. It was operated with the help of a specially raised Frontier Force.

Work in Penang was part of the general Registration scheme for the whole country. Although the neighbouring States had not completed Registration, the identity cards produced by Penang residents were of considerable assistance to the Police in carrying out security checks.

Registration in the rest of the country proceeded in the face of determined opposition from the terrorists but such incidents as the abduction of photographers had little effect on its successful progress.

A few days after the state of emergency was declared a senior administrative officer was appointed to a new post of Secretary for Internal Security whose duties were to deal with all matters rising out of the emergency and to act as Chairman of the Internal Security Committee. This Committee which was composed of representatives of the three Services, the Police, the Telecommunications Department and any other Government Departments concerned, met daily for the first few weeks and was principally concerned with such matters as the provision of arms, ammunition and other essential supplies to the Police, particularly the Special Constabulary, and the improvement of Police communications

by the loan of wireless equipment and personnel from the Services. The Committee was also closely concerned with the protection of estates and mines and the preserving of stores which were in short supply such as barbed wire. At an early stage, representatives of the United Planting Association of Malaya and of the F.M.S. Chamber of Mines were added to the Committee's original membership. Another matter with which the Committee was concerned was the provision of protection for the main railway services.

At the end of October the functions of the Secretary for Internal Security were extended to cover Defence and a post of Secretary for Defence and Internal Security was created with a considerably enlarged staff.

In the majority of the States and Settlements, Security Committees were established, with unofficial as well as official membership, to assist and advise the local Chief Police Officer and military commander. All these Committees and the Internal Security Committee at Federal Headquarters proved their value not only in carrying out their primary functions but in providing an opportunity for ventilating grievances and exchanging points of view.

Immediately a state of emergency had been declared, a large number of arrests were made under the newly-published regulations, and consideration had to be given to the question of accommodating the persons detained. The first "camp" to be so declared under the special regulations governing their administration was the gaol at Seremban, whose "ordinary" criminals were transferred elsewhere by 1st August. It could accommodate only 650, however, and urgent steps became necessary to find other suitable sites or buildings. The former immigration depot on Pulau Jerejak, Penang, was selected as requiring little adaptation to become available for a camp and it was first used on 20th October, after some delay due to a shortage of barbed wire. The capacity was 2,000. A second site was found at Tanjong Bruas, seven miles from Malacca, and a camp was opened on 18th November to hold a maximum of 2,000. The need for more camps was acutely felt in Johore and work was started on two, one at Majedie, near Johore Bahru, for 2,000 and the other at Kluang for 1,500. The former was opened on 14th December but the latter had not been completed by the end of the year. To ease the situation while the Majedie Camp was being built, the Government of Singapore made a most welcome offer to accommodate 450 detainees on St. John's Island and this was accepted. Temporary staff, from the Superintendents downwards, had to be obtained for all these camps but a few experienced men were lent by the Prisons Department who were

themselves, however, hard put to it to cope with the large influx into the gaols. By the end of the year a total of 5,097 persons were held under detention orders.

Under the regulations, detained persons were permitted to lodge an appeal against their detention and these appeals had to be heard by Advisory Committees. Committees were appointed in each place where detainees were held, either in gaols or in detention camps. The Chairman was usually the District Judge (part-time) and the members of the Committee were prominent local officials and non-officials. The recommendations of the Committees were at first submitted to the High Commissioner for a final decision but the number of appeals soon made it necessary for the powers of decision to be delegated to a Commission of three. It became clear before the end of the year, however, that considerable arrears of unheard appeals were accumulating. This tendency was not markedly checked by the appointment of one or two full-time Chairmen of Advisory Committees, e.g., Penang and Malacca.

An important decision was taken in November when a new Emergency Regulation 17c was gazetted which provided that detainees, whose appeals had been rejected or who had not appealed, could be repatriated by order of the High Commissioner in Council provided that they were not Federal citizens or British subjects born in Malaya. Arrangements were made for their dependants to accompany them. The task of getting in touch with these dependants and of arranging temporary accommodation for them in a camp at Morib fell to the Social Welfare Department. Many difficulties were encountered.

Other Departments particularly concerned with the Emergency were Public Relations, Public Works and Telecommunications.

With the declaration of a state of Emergency the necessity for informing the public fully on all aspects of it became of vital importance. The Information Services of the Department of Public Relations were already available and an Emergency Publicity Committee was appointed under the chairmanship of the Director of Public Relations to deal with the matter.

The Press provided the major channel for disseminating information to the public particularly in the urban areas. The initial difficulties of providing an adequate and rapid service of news from official sources of the operations of Security Forces and about bandit outrages were met mainly through the expansion and modernisation of the Police communications system, through the provision of facilities for Press representatives to accompany

Security Forces on operations and obtain the facts for themselves and through the inauguration of a series of regular Press Conferences. The latter were attended by the Chief Secretary, the Commissioner of Police, the General Officer Commanding Malaya District, the General Officer Commanding Singapore District, the Air Officer Commanding, a Naval representative with other leading officials and provided the Press with regular opportunities to obtain a broad view of the situation and to obtain the answers to questions concerning it. There is no Press Censorship in Malaya.

In the period July-December, 1,175 official Press Releases concerning matters related to the Emergency were issued through the Press Section of the Department of Public Relations which maintained a teleprinter service with Singapore, Ipoh and Penang on a 14-hour day basis.

The diversities of language in the plural society of Malaya allied to the fact that the majority of the population live in isolated villages and on estates and mines, in riverine kampongs and in rural areas, necessitated the planning and production of simple leaflets in vernacular languages which could be readily disseminated by aircraft, police patrols, mobile public-address units and other agencies. Thirty million leaflets written in simple terms in vernacular languages, co-ordinated to a basic plan, and varying from news and explanations of the many Emergency Regulations to psychological warfare and anti-Communist material were prepared and distributed up to the end of the year. Simple vernacular papers in Malay and Tamil were prepared and distributed in rural areas and to labour forces on estates to a total of 540,000 during the period. Many estates and mines co-operated by assisting in distribution of leaflets and news-sheets to their labour forces.

Twelve Mobile Public Address/Cinema Units of the Department of Public Relations played a considerable part in informing the rural population. Between June and December, Field Officers of these Units addressed some one and a quarter million people in vernacular languages on matters of importance in connection with the Emergency.

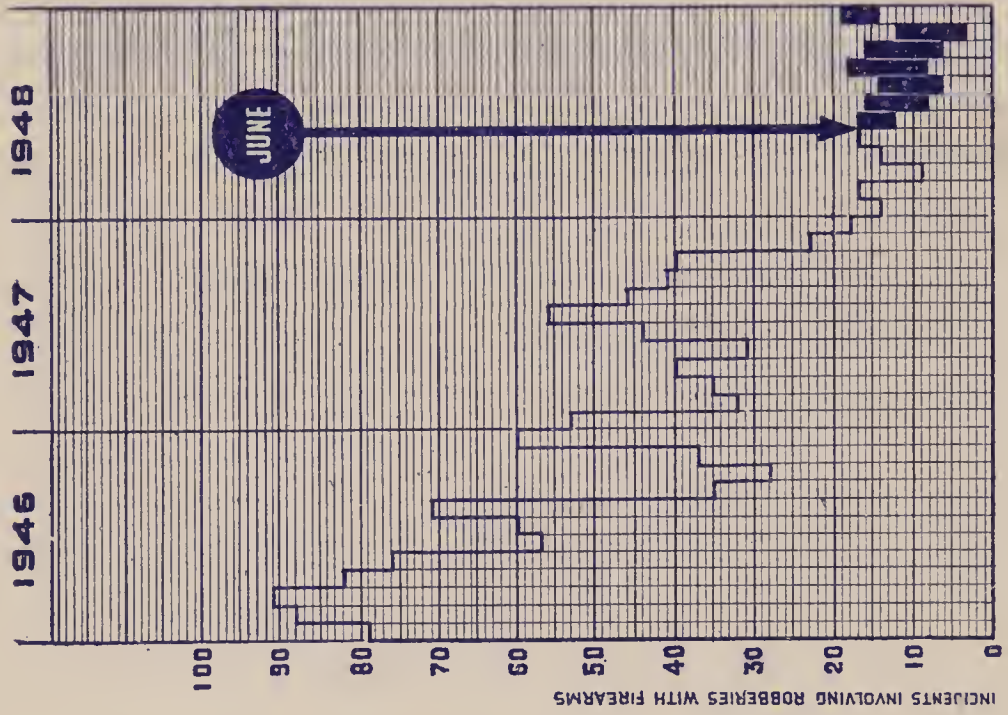
That the bandits appreciated the danger to their cause which the work directed by the Emergency Publicity Committee presented is evident from strong reactions to it in their propaganda output. Their own output of propaganda was on a considerable scale mainly through crudely mimeographed pamphlets the contents of which varied from the abstractions of Marxist-Leninist theory to crude threats of murder and demands for extortion money.

The onset of the Emergency meant a large amount of extra work to the Public Works Department in the erection of defence works, detention camps, new police posts and accommodation, etc. The cost of these works was in the neighbourhood of \$2,700,000.

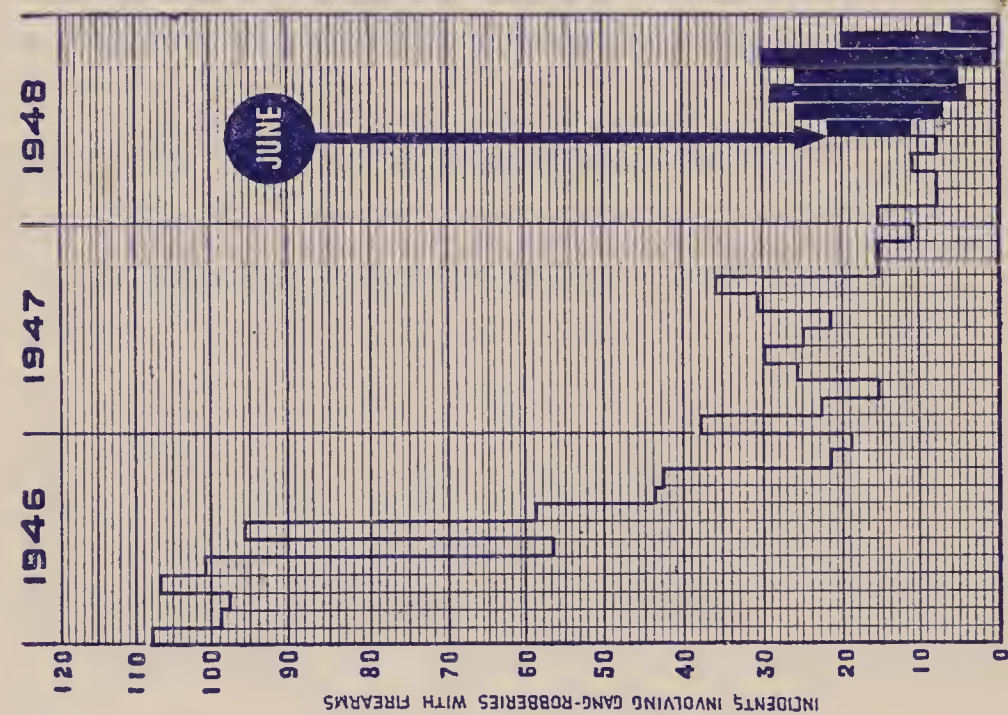
Similarly the Telecommunications Department was called upon to provide as a matter of urgency new services to outlying districts (the number of direct exchange lines provided from July onwards for Emergency purposes were 467 and extensions were more than double that number) and in addition to organise a network of telephone, teleprinter and radio communications for the Police, besides training the required W/T operators. Both these Departments had to meet the extra commitments with considerably depleted staff. By the end of the year it was estimated that the Emergency was costing the Federation some \$300,000 a day.

Despite all the difficulties in devising and putting into effect the measures necessary to meet the very serious threat presented by the organisation campaign of terrorism, banditry and murders, by the end of the year these measures were beginning to have effect. Two factors which especially operated against the task of the Security Forces were the number of arms left in Malaya as a legacy from the Japanese occupation without which it would have been quite impossible for the bandits to launch or sustain their gangster tactics and secondly the widely spread areas of Chinese squatters. To maintain their campaign, apart from arms and ammunition, it was necessary for the bandits to obtain a regular supply of money, provisions and information. Money they secured by methods of extortion from many members of the community who were afraid to inform against them but their chief support they found among Chinese squatters whose assistance they obtained either by terrorism or propaganda. The existence of Chinese squatters had always constituted a problem in Malaya which was considerably intensified by the Japanese occupation during which many industrial labourers were driven on to the land to grow food to support themselves. In isolated communities, in illegal occupation of their land and remote from effective administration control it was a comparatively easy matter for the bandits to use them as sources of supply and cover. The increasing part they were playing in enabling the bandits to prolong their campaign was recognised by the Government and in December a Committee under the chairmanship of the Chief Secretary was appointed to examine and make recommendations for dealing with this long outstanding problem.

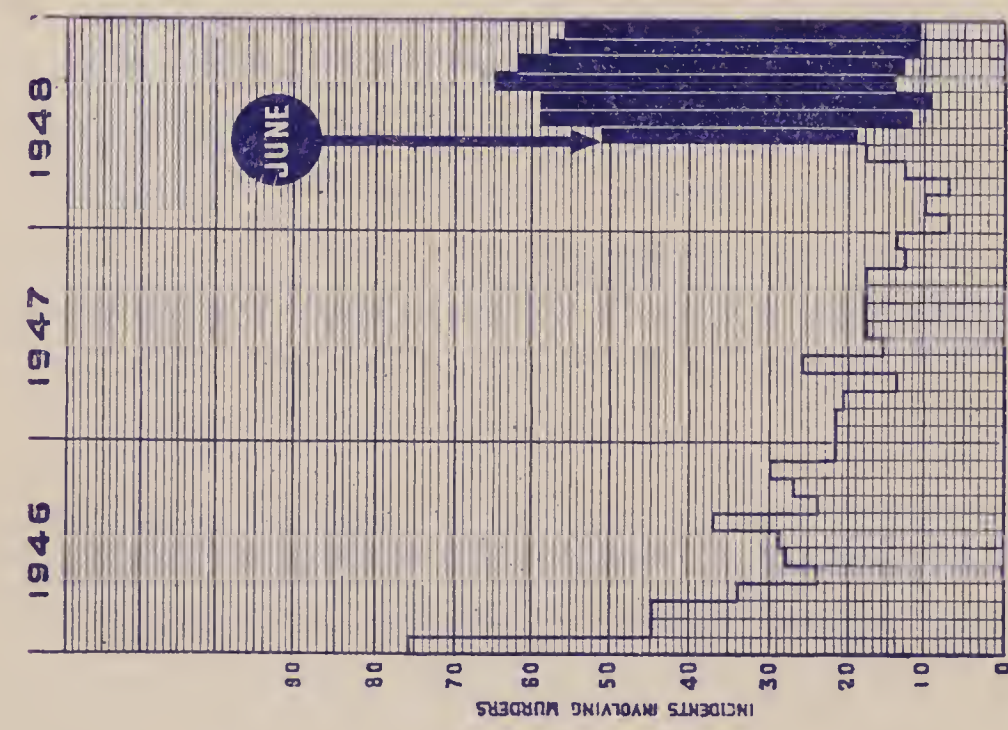
In conclusion, the picture at the end of 1948 was one that gave grounds for sober confidence. The initial object of the terrorists to subvert the Government had been decisively defeated; measures of defence had been greatly strengthened; the Security Forces, largely relieved of static defence duties by the Special Constabulary, suitably expanded and adequately trained, were ready to turn to the offensive.



ROBBERIES
WITH FIREARMS



GANG-ROBBERIES
WITH FIREARMS



MURDERS

INCREASE IN CRIME DUE TO THE EMERGENCY SHOWN THUS



Note: Railways removed during the occupation shown thus - - -



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